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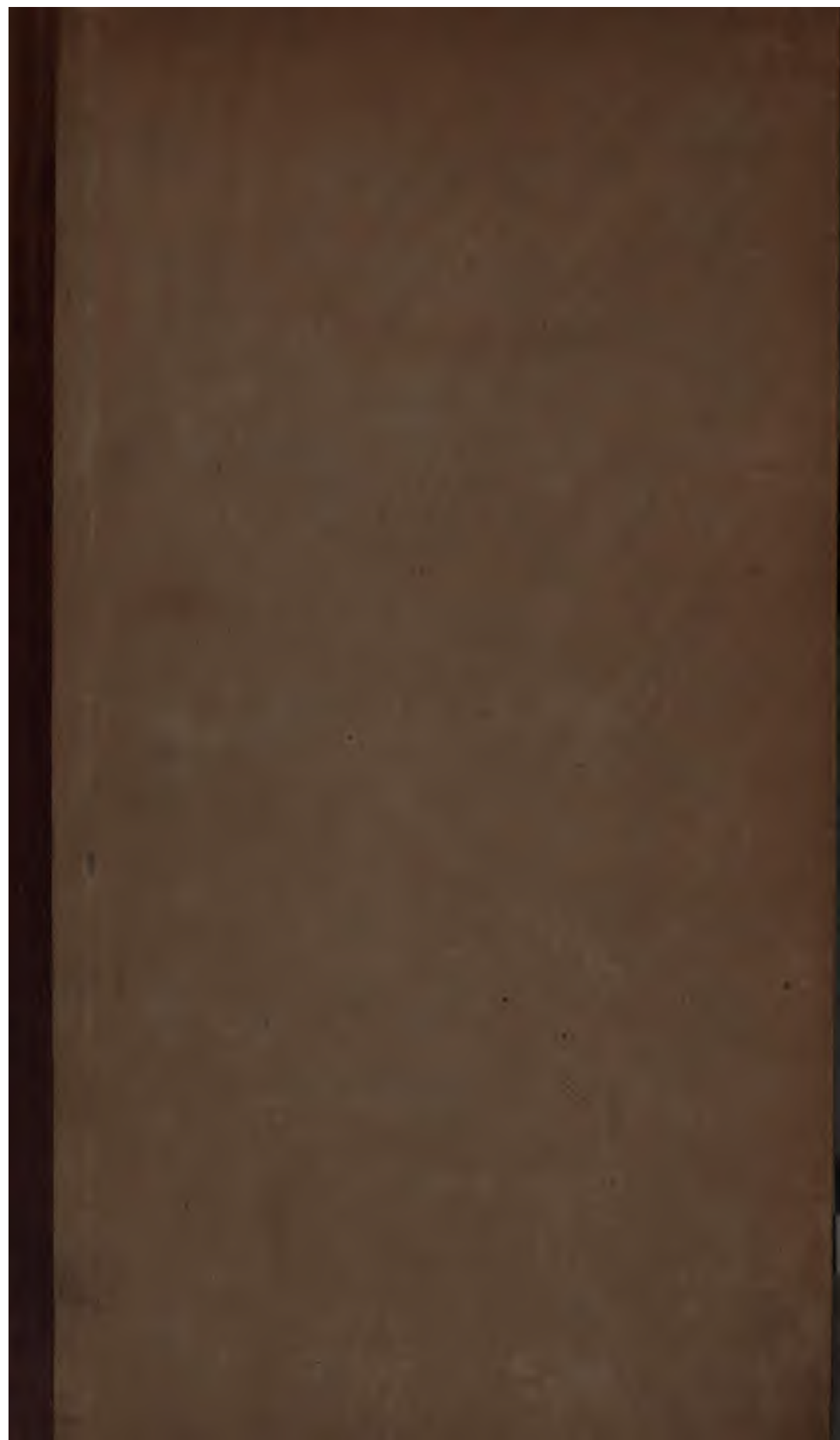
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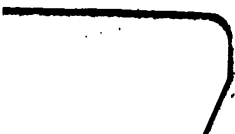
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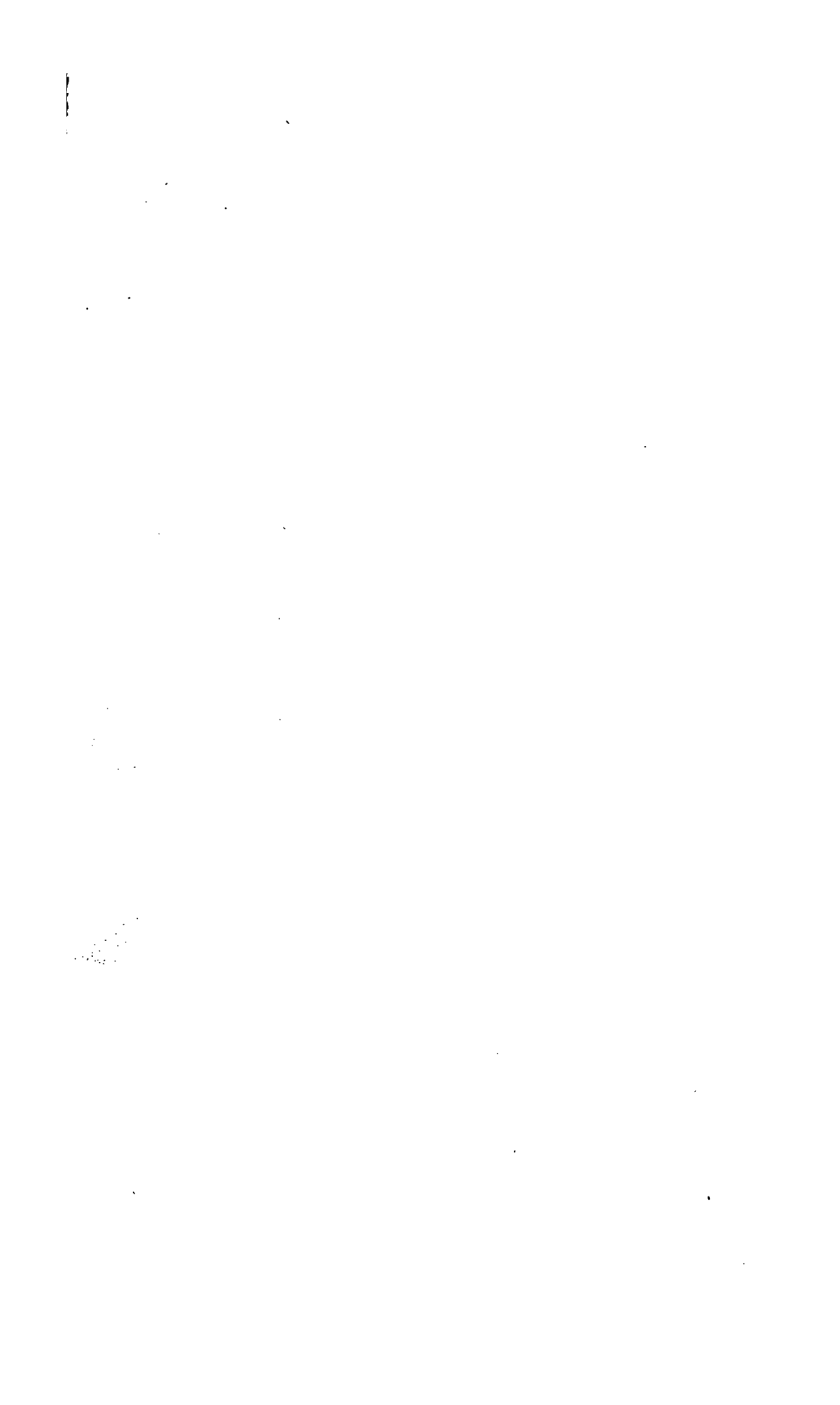
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AN
EXPOSITION OF EVIDENCE

IN SUPPORT OF THE
MEMORIAL TO CONGRESS

"SETTING FORTH THE EVILS OF THE EXISTING TARIFF OF DUTIES, AND ASKING
SUCH A MODIFICATION OF THE SAME, AS SHALL BE CONSISTENT WITH
THE PURPOSES OF REVENUE, AND EQUAL IN ITS OPERATION ON
THE DIFFERENT PARTS OF THE UNITED STATES, AND
ON THE VARIOUS INTERESTS OF THE
SAME."

PREPARED
IN PURSUANCE OF INSTRUCTIONS
FROM THE
PERMANENT COMMITTEE
APPOINTED BY THE
FREE TRADE CONVENTION
ASSEMBLED AT PHILADELPHIA
TO PREPARE THE
MEMORIAL TO CONGRESS.

BY HENRY LEE, OF MASSACHUSETTS,
ONE OF THE COMMITTEE.

BOSTON:
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1832.

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TAXES ON WOOLLENS AND IRON.

TAX ON WOOLLENS.

As the discussion of this important item in the Tariff, as well as that of iron, wool and hemp, has been assigned to another member of the Committee, who is able to do each of them ample justice by displaying all their evil consequences—we shall confine our remarks on this article, chiefly to the amount of direct and indirect taxation imposed on the nation, for the benefit of the small portion of the woollen manufacturers who depend on extreme duties for their support.

The importations of woollens since 1821 are as follows—

1821,	-	-	-	-	-	7,600,000
1822,	-	-	-	-	-	12,200,000
1823,	-	-	-	-	-	8,300,000
1824,	-	-	-	-	-	8,200,000
1825,	-	-	-	-	-	10,900,000
1826,	-	-	-	-	-	7,900,000
1827,	-	-	-	-	-	8,200,000
1828,	-	-	-	-	-	7,900,000
1829,	-	-	-	-	-	6,300,000
1830,	-	-	-	-	-	5,800,000
10 years,						<u>\$83,300,000</u>

The exportation of woollens is very small, varying from 200,000 to 400,000 dollars *per annum*, and cannot exceed 3 millions in 10 years, which would make the prime cost of those actually consumed, 8,000,000 dollars *per annum*.

The duty on woollens under the act of 1789 was 5 *per cent*. It was subsequently advanced to 7, to 12½, and, during the war, to 27½ *per cent*., wholly however for revenue, and for no other purpose. In 1816, on the adjustment of the various claims that were put forward by those who had interests which had grown up under the war prices, it was thought just to give the manufacturers of woollens 25 *per cent*.;—to fall, however, in three years to 20 *per cent*. But before that

period expired,* a further time of seven years was allowed for a reduction of the duty to 20 *per cent.*, and during that interval the act of 1824 was passed, by which the duty was raised to 33½ *per cent.*

The manufacturers, not content with this duty, which, added to the common importing charges, gave them a protection against the foreign fabric of at least 55 *per cent.*, again demanded more duties, which they obtained by the act of 1828, granting them rates of 45 to 150 *per cent.*, and rising generally on the articles in proportion to their coarseness; thus taxing the people, not in proportion to their wealth, but to their want of it—one of the most prominent features of what is termed the “American System.”

The duties, then, within the period of ten years for which we have given the amount of importations, range from 25 *per cent. ad valorem*, or 27½ on the cost, up to their present rates of 45 to 150 *per cent.* It is not to be supposed that many goods will bear the extreme rates of duty which are established, and we shall therefore call the average of the duties actually collected, under the existing act, 60 *per cent.*, though this is probably below what has been actually paid. We have before us statements from importers who have paid from 80 to 100 *per cent.* on this year's importations.

If, then, we take the average duty at 45 *per cent.* on the last ten years' importations of woollens actually consumed, amounting to 80,000,000 dollars, the result will show a protection in the form of a revenue tax, of 36,000,000 dollars; to which 20 *per cent.* being added for charges of importation, will make the whole protection

* Thus, within the period of two years, there was a gross violation, on the part of the manufacturing capitalists (the only class who can gain by this system), of that implied understanding, on which the act of 1816 was supported by the representatives of the non-manufacturing States. That measure was asked for as affording a moderate and temporary protection to certain valuable interests, which must otherwise have been involved in ruin—and not as justificatory of the principle now contended for, that an interchange of our agricultural staples, with such foreign nations as are in want of them, may, at any time, be justly and legally prohibited by Congress, whenever it can be made to appear advantageous to particular sections, and to particular classes;—for this is the doctrine, on which the “American System” is sustained by its leading advocates.

The act of 1816 may be considered, from the general support it received in various sections of the country, as a *national measure*; but in making innovations upon it, there have been exhibited, upon the very face of the proceedings, both in and out of Congress, the strongest marks of faction and intrigue. The act of 1828 was so grossly unjust, that it has been denounced even by its advocates, as having been dishonestly obtained, and as being wholly incompetent to the purposes for which it was intended. It is surprising, therefore, that either the act of 1824 or of 1828 should be claimed as furnishing any decisive indication of the national sentiment, since the first was carried by a majority of *only one vote*, and the latter by a majority of three votes, though there probably were 50 or 60 manufacturers, or the dependants of manufacturers, in Congress, who went to that assembly for no other purpose than to obtain bounties for themselves and their principals, and could not therefore be considered, in any degree whatever, as the representatives of the nation. Still, the national party, when remonstrating against the injustice and oppressiveness of the existing system, are referred to the acts of 1824 and 1828, as expressive of the sense of the nation,—than which nothing can be more absurd, since the latter of these measures has been denounced even by its advocates, while the former had among its most strenuous opponents, the men who are now the leaders of the Tariff party—they having, as one of the most distinguished of them observed, in explanation of his abandonment of his former opinions, changed their positions in regard to this question, rather than their principles.

the manufacturers have enjoyed against foreign competition equal to 52,000,000 dollars. Yet even this enormous sum, according to the often repeated declarations of the most respectable individuals in favor of the Tariff, has proved insufficient to enable the home manufacturer to gain the ordinary profits of capital; though the duties which have operated to keep out many staple articles, are of course much higher than the average of what have been levied on the imported goods; and, as we shall show, impose on the nation a heavier burden,—which, however, is not for revenue, *but goes, as a bounty, into the pockets of the manufacturers.*

Let us now estimate the taxes, paid for the protection of woollens. 1st. That portion which arises from importations, and which as a revenue tax no one will object to; *so long as it is necessary for the public service.* 2d. That portion of the tax, which is imposed on the nation by the exclusion of foreign goods, and which is levied solely for the benefit of the privileged manufacturers.

1st. As to revenue.—The average consumption of foreign woollens for ten years has been 8,000,000 dollars; but, as might be expected, the extreme Tariff of 1828 has greatly reduced the amount.

With a population of about ten millions, in 1821 and 1822 the average importation appears to have been nearly 10,000,000; while in 1830, with a population of nearly 13,000,000, it had fallen below 6,000,000. Still, this small sum, out of an annual consumption of 70,000,000 dollars, though loaded with protecting charges of 80 *per cent.*, is complained of by the favored manufacturers, as ruinous to their interests.

The revenue tax, then, on the small quantity of woollens admitted under the extreme duties of 60 *per cent.*, amounts on 6,000,000 dollars, to 3,600,000 dollars.

2d. To ascertain the amount of tax imposed by the prohibitory duties, we must, as in the case of cotton goods, endeavour to form an estimate of the amount of woollens excluded by those duties; of and we shall, in prosecuting this inquiry, keep within the limits probability.

Some of the manufacturers maintain, that such are the advantages which foreign countries enjoy over ours, for prosecuting this branch of manufacturing, that even the present rates of duty, enormous as they are, will hardly sustain them; while others recommend an entire prohibition. If they are correct in these opinions, it follows that a large proportion of all the goods we consume, would be imported were the duties repealed. But we do not admit this to be true, and shall therefore not avail ourselves of the advantage afforded us by their own false assumptions, in estimating the burden imposed on the country by their woollen monopoly.

The whole consumption of woollens is estimated by Mr. Niles

and others at 70,000,000 dollars. Our annual importation of 6,000,000 dollars, with the protecting charges of 80 *per cent.* added, is 10,800,000 dollars—leaving the sum of 59,200,000 dollars as the amount of domestic woollens consumed. The question then recurs, what proportion of this sum of 59,000,000 dollars, is forced upon the consumers by the enactment of prohibitory duties on similar foreign articles? We should say, certainly not less than one-fifth of the amount consumed, or 12,000,000 dollars; and, estimating the prohibitory duty at 70 *per cent.*, we have 8,400,000, as the sum levied upon the nation to exclude the cheaper foreign fabrics; making, with the revenue tax of 3,600,000 dollars, the sum of 12,000,000 dollars.

There is, in addition to this taxation, a considerably increased charge on the cost of such portions of our domestic woollen goods as are independent of any protection, arising from duties on the raw materials used in their manufacture, and from the taxes on many of the necessities of life, which operate heavily on all branches of industry.

In justice to the woollen manufacturers, it must be admitted, that while the duties imposed for their protection are very burdensome to the country, they are themselves heavily taxed by high duties on wool, oil, and indigo, which constitute a large portion of the cost of many of their staple fabrics; and it has often been asserted in journals and speeches advocating the interests of the manufacturers, that they suffered more by the increased duties on the raw materials, imposed by the act of 1828, than they gained by the increased duties on foreign fabrics. It is also maintained that they are injured by frauds on the revenue, and by smuggling on the frontiers;—and how can it be otherwise, since, as we have already shown in a former part of our Report, the alteration of a few cents in the cost of a yard of cloth, varies the rates of duties from 10 to 60 or 70 *per cent.*? Nor is it to be expected that smuggling can be prevented on our long line of frontiers, when woollens and cottons can be transported from Great Britain to the borders of their extensive colonies, for from 5 to 10 *per cent.*, (the duty in the British colonies being only 2½ *per cent.*) and a laboring man can gain more by the illicit introduction of a few pieces of cloth, than by a year's labor.*

* “It was formerly contended, in favor of a free and constitutional government of defined and limited powers—as ours was once thought to be—that equal and moderate taxation, the result of an economical administration of public affairs, was among the advantages, which, under ordinary circumstances, every citizen, in whatever section he might happen to reside, might reasonably expect to enjoy. In time of war, when a great expenditure is required for the public defence, every good citizen must be content to bear even a burdensome taxation, as the price of that security and national independence, which must be maintained at any expense.

“Such was the condition of this nation during our late war, and still more so during the revolutionary struggle—one of the principal objects of which was to exonerate ourselves from unequal, unjust, and burdensome taxation. In such an emergency, with a vast na-

The manufacturers and advocates of high duties are so sensible of this evil, that it was one of the subjects most discussed in the New York Convention; and Mr. Ellsworth, a respectable member of that body, observed, "that to such an extent were frauds practised, that the Tariff was a mere nullity. In the face of all its pro-

tional debt, limited revenue, and a heavy expenditure, every citizen was called upon to give up the luxuries, and many of the comforts of life, that the Commonwealth and the Nation might not fail in the contests they were engaged in, for want of pecuniary support.

"But we are now almost free of debt—have been blessed with a course of abundant years, beyond every former example—and have a revenue of twelve to fifteen millions more than our current expenses—and yet no civilized nation in the old world is so unnecessarily burdened with taxes as are the people of this free country—who, with one quarter our present population, rose, as one man, against the authority of the most powerful nation on earth—and for what? *Because they would not endure an unjust taxation of even three cents per pound on tea!*

"We have said that our system of taxation was more burdensome than that imposed on any civilized nation of the old world. The subjects of the King of Great Britain, it must be admitted, are as heavily taxed as any nation within the pale of civilization. Let us, then, compare the taxation imposed on the agricultural and laboring classes of this country, for the benefit of a few thousand "wealthy capitalists," with the taxes imposed on the subjects of William the Fourth, residing in Canada, Nova Scotia, &c.—and the reader will see if our position is not abundantly sustained.

" ARTICLES.	Duties paid in Canada, &c., by the subjects of a King.	Duties paid in the United States, by the citizens of a Republic.
Cotton Goods, . . .	2½ per cent.	30 to 150 per cent.
Silk Goods, . . .	2½ per cent.	22 to 85 per cent.
Woollens,	2½ per cent.	50 to 250 per cent.
Linens,	2½ per cent.	27½ per cent.
Earthen, China, and Glass Ware,	2½ per cent.	22 to 70 per cent.
Hard ware,	2½ per cent.	27½ per cent.
Rolled Iron,	2½ per cent.	100 to 160 per cent.
Iron in Bars, . . .	\$1 to \$3 50 per ton, .	\$22 40 to \$37, per ton.
Hemp, from Gt. Britain, foreign,	Free,	} \$60 per ton.
Salt,	\$7 50 per ton,	10 cts. per bushel.
Sugar,	Free,	3 to 4 cts. per pound.
Brandy, Gin, and Rum,	1 cent per pound, . .	53 to 90 cts. per gal.
Coffee,	22 cts. per gallon, . .	2 cts. per pound.
Pepper and other Spices, if from Gt. Britain,	1 cent per pound, . .	
Wine,	Free,	Specific, amounting to 80 a 200 per cent.
Teas—Bohea,	1½ to 6 cts. per gal. .	10 to 50 cts. per gal.
Hyson,	4 cts. per pound, . .	} 4 to 25 cts. pr pound.
All other kinds, . .	10 cts. per pound, . .	
Many other articles, .	6 a 7 cts. per pound, .	} Most non-enumerated arti- cles, 15 to 20 per cent."
	Free,	

We have copied the above statement from that excellent Journal, *The Banner of the Constitution*, (whose Editor has done so much to expose the evils of the pernicious act of 1828,) that a comparison might be made between the taxes paid in this and in a neighboring country, and to convince every reflecting man of the utter impossibility of preventing an illicit trade, when such temptations are held out to fraud and avarice.

visions, the manufacturer did not in reality enjoy a protection of more than 40 to 45 *per cent.* ;” and in explanation Mr. E. added, “that when the effect of the duty on wool was considered, the present Tariff did not operate as a protection to the manufacturer of 25 *per cent.*”

This statement was sustained by Mr. Brown, of Boston, one of the most intelligent, respectable, and experienced men engaged in manufacturing.

“He had long been engaged in the business, and he had always said that the manufacturer could do a better business under the tariff law of 1816, than that of 1828, if the existing frauds are permitted to continue.”—Mr. B., considering the effects of these frauds and the duty on wool, did not estimate the protection, actually realized, as more than 25 *per cent.* We could quote similar declarations from other equally respectable sources, in support of what is here advanced;—and what is the inference? Why, that as regards even woollens, the most highly protected article, the manufacturers, according to their own declarations, do not realize so much protection as they would do under a moderate duty.*

* Some of the most intelligent woollen manufacturers have always deprecated, as injurious to their interests, any departure from the act of 1816. They considered the act of 1824 as having done them more harm than good; and against the act of 1828 complaints became still more general. The following extract of a letter to Mr. Niles, editor of the *Baltimore Register*, shows in what light the act of 1828 was viewed, by the class of manufacturers to whom we refer.

“The only true friends of the manufacturers, are those who now seek to repeal the ridiculous tariff of 1828. Put a duty of revenue alone, on cloths, and remove the duty on wool;—this process will invite the regular importer back to his old employment, and finish the vain expedient of growing wool in this country.” Again, in regard to the cost of making cloths, the writer, who appears to be an extensive manufacturer, says—“We can, and do make cloths, for less money-per-yard, than it costs to make the same qualities in England. This we have tested by experiment. I speak of the cost of manufacture alone. It would be much better for us, if we were placed in England; for we could there, with our present hands and advantages, make cloth, send it to New York, pay the duties, and take more money than we do now. The difference is in the stock; and this difference is attributable to the absurdities of the American System, as it stands. The duties on dye-stuffs, oil, soap, and wool, taken in connexion with the derangement of trade, by making the manufacturer an exporter, amounts to a much higher protection to the foreigner, than all the Tariff affords to us. Such are the facts and such the fruits of the “System” which the American manufacturer has toiled to support!”

These are the opinions of a manufacturer who understands his own interest. The act of 1828, which Mr. Niles affirms, in several of his journals, “was the result of a political bargain, and passed on principles disreputable to a Congress of the United States,” may perhaps have been advantageous to some few individual manufacturers; but nothing can be more obvious, than the folly of pretending to encourage manufacturing industry, and at the same time to tax the raw materials, iron, hemp, flax, wool, lead, indigo, and other component parts of manufactures, and constituting the principal value of many of them, 50 to 200 *per cent.*

The truth is, the act in question was passed without any regard to the great interests of the Union, and was, we fear, obtained, as Mr. Niles alleges, by a compromise between various individuals, who went to Congress for the promotion of their own ends, and those, too, in many instances, of the most sordid and selfish character. They went to that assembly pledged to promote other objects than that of the great interests of the people, and utterly devoid of that elevation of sentiment, and purity of purpose, which ought to characterize men entrusted with the government of a great nation.

This is the proposition we have attempted to sustain through the whole course of our remarks.—Let the manufacturers have their raw materials either free or at low duties, and this benefit, together with relief from the general taxation imposed by the restrictive system and an increased demand for their fabrics consequent upon this relief, would soon place them in a safer and more prosperous condition than they now are, while the nation would be enabled to throw off that heavy burden, under which she labors, and which ought no longer to be endured.

THE IRON TAX.

IN estimating this tax, we shall not include manufactured articles, the duties on which are most inconsistently put so low, compared with the duties on the raw material, as to throw out of employment an immense number of workers in iron, who, under a moderate duty on bar, or raw iron, could manufacture a very large proportion of the iron wares now imported. We have before presented this to the consideration of our readers, as one of the effects of the high duty system. Like the high duties on wool, it is calculated to defeat the object of this system, by destroying the occupations of a large class of men, for the sake of giving employment to a much smaller number,* because the latter are connected with a few wealthy and influential men, who are able to shape the legislation of the country to the promotion of their particular interests.

The quantity of unmanufactured bar iron annually produced in the United States, varies from 30,000 to 40,000 tons. The duties on imported iron, as before stated, vary from $22\frac{4}{5}\%$ to 37 dollars per ton; but, as the high duty of 150 *per cent.* levied on British bar iron, diminishes its consumption, the largest portion we import is from the Baltic, paying the lower duty. If we call the importation 35,000 tons, and average the duty at 26 dollars per ton, which assumes that three-fourths pay the low and one-fourth the high duty, it would make the tax on imported raw iron 910,000 dollars, which goes into the treasury as part of our annual revenue;

* We are sustained in this view of the case by the Memorial of merchants, manufacturers, &c. of Boston, signed by Mr. Webster, and supported by him in his Faneuil Hall speech, in 1820.—p. 17 of Memorial.

“The impost on iron is particularly injurious to industry. This article is required for the machines of manufactories themselves, for all the implements of agriculture, all the tools of the mechanic arts, and for nails, of which 6000 tons are annually made, and chiefly from foreign iron, and which are one of the very few of our manufactures now exported. *A far greater number of men are employed in converting this material into articles of use, than in extracting it from the ore; and surely the interest of the many, ought not to be sacrificed to that of the few.*” Since 1820, the ratio of taxation, by the increase of duty and fall of iron abroad, has been nearly doubled.

—and so long, we repeat, as this revenue is wanted for national purposes, no one will complain of this duty.

We now come to that more indirect, and, to the majority of the nation, invisible portion of the tax which is levied on the country, for the purposes of keeping out of our markets the cheaper foreign commodity, that we may be compelled to buy the dearer home commodity; and which, instead of going into the public chest as revenue, goes to the iron masters, as so much bounty, to enable them to prosecute a business, in which large fortunes were made while it enjoyed a protection of only $7\frac{1}{2}$ to 15 per cent.

The annual consumption of foreign and domestic bar iron is variously estimated. Some of the advocates of high duties have reckoned it at 60,000 tons, but we have called it 40,000 tons,* and allow the prohibitory duty, which excludes the cheaper foreign iron, to be 30 dollars per ton. This creates a tax on the country of 1,200,000 dollars, according to our estimated consumption; but if we take that which is often relied upon by our opponents, a tax of 1,800,000 dollars—a tax, too, falling with most weight upon the industrious classes of society, who depend upon agriculture, the mechanic arts and manufacturing, for their daily support. And for whose benefit is this heavy taxation? Why, for that of a few hundred iron masters, many of them among the wealthiest men in the nation; and for *their sole benefit*, since it cannot be pretended that the laborers they employ gain any more by a branch of business propped up by governmental bounties, than they would do, were they engaged in other employments less highly favored by legislation.

It would be some alleviation of the burden of taxation, if the effect of these high protecting duties were advantageous to those interests which are thus protected; but from what little experience this nation has had of their results, it must be confessed that they are often injurious to those for whose benefit they were established. The acts of 1824 and 1828, as we have shown, were admitted, by many of the manufacturers themselves, to be injurious both to the cotton and woollen trades.

France, since the days of Colbert, has acted more fully up to the principles of the restrictive system, than any other nation in Europe; and there cannot be a more convincing proof of the mischievous effects of that system, than the results which her experience exhibits.

With as great natural advantages as the most favored coun-

* The statements of iron annually produced in this country vary from 30,000 to 50,000 tons. According to the testimony of the iron masters examined by the investigating committee appointed by Congress in 1828, it was 30,000. The *Encyclopedia Americana* calls the produce 50,000 tons. But it has also been alleged by those who have inquired into the subject, that 15,000 tons are made of imported scrap iron, which reduces the quantity of domestic bar iron to 35,000 tons.

try in the world is possessed of, she has been paying higher prices for her manufactures than most of the neighbouring nations; while, till within a short period, her great branches of manufacturing, with the exception of silks,* have been in a miserable condition, compared with those of England. In the manufacture of coarse cotton goods, and many other articles, France is greatly behind us, though, till within a few years, we were without any protecting system.

Of the bad effects of the duties in France, we can furnish the reader a striking example from the Edinburgh Review, that consistent and able journal, which has done so much to enlighten the world, upon the true way of promoting national wealth and national greatness.

In 1790, the duty on the importation of foreign iron into France was 2 francs 20 centimes per quintal of 220 lbs., equal to about 4 dollars per ton. In 1814, it was raised, for the purpose of protecting the iron masters against the cheaper foreign iron, to 15 francs per quintal, or about 30 dollars per ton. This not being sufficient to secure the iron masters a monopoly of the home market, it was again raised in 1822 to 25 francs the quintal;—thus carrying up the duty to 50 dollars per ton.

These excessive duties, granted in such quick succession, having raised the prices of iron at home, and reduced the importation of foreign, naturally attracted a great deal of capital to the iron trade, and occasioned its rapid extension. In 1819, the quantity of unwrought iron produced in France, was estimated at 114,000 tons; in 1825, it had increased to 197,000 tons; and in 1830, it was estimated at 227,000 tons.

Notwithstanding this immense duty, some foreign iron still continued to be imported; thus evincing, that the protecting duty, high as it was, operated, entirely, as a tax on the consumers of the home-made iron. Now, on the supposition that the operative duty was only 20 francs, the increased cost to the nation would be upwards of 9,000,000 dollars, being a *direct* tax levied for the benefit of the

* The manufacture of silk goods was formerly protected in Great Britain by prohibitory duties, and the raw materials taxed highly for revenue. Mr. Huskisson established the duties on manufactures at 30 *per cent.*, and at the same time lowered the duty on the raw material. This measure was violently opposed by the privileged manufacturers, as utterly ruinous to their interests; but Mr. Huskisson persevered, and the result has been such an improvement in the trade, that Great Britain now manufactures double the quantity of silk goods that she formerly did, and many of them at lower prices than in France. Such, too, would be the effect in a few years, in this country, on cottons, woollens, iron, &c. were the duties on the raw materials repealed or greatly reduced, and the present exorbitant duties on those articles greatly lowered.

The Northern and Eastern States have acquired such a density of population and such an accumulation of capital, that they will manufacture successfully without the aid of a restrictive system, as indeed some of them have done for the last half century.

iron masters, who, at the utmost, did not employ more than 80,000 persons in all branches of the business. Thus an annual premium of 112½ dollars per head was paid by the nation to keep 80,000 men employed, not for *their* benefit (since they received no more wages than the average price of labor, which they would have obtained in any other occupation), but, as with us, for the purpose of forcing an unprofitable business. And this is what is called by the advocates of restriction, *favoring domestic industry*.

But so far is it from being true, that such a system gives increased employment to labor, that, as in the instance before us, it sinks that capital on which labor must rely for its support.* That is to say, the effect of the iron tax, by compelling the nation to pay an increased price of 50 dollars per ton for all they consumed, beyond what the imported iron would have cost, prevented the accumulation of national wealth, to the full extent of that tax—equal to 9,000,000 dollars *per annum*.

With all this encouragement, however, to the iron business in France, it was in 1830 in a very depressed state; partly owing to the increased price of fuel in the iron districts, and partly to that over production and bad management, commonly attendant upon a branch of business forced by prohibitions and bounties;—and according to the evidence taken before a commission of inquiry, the production of iron was not more profitable, than it had been under a protecting duty of about half what it then enjoyed.

Such too have been the effects of the great increase of the protecting duties on cottons, woollens and other branches of manufacturing, in this country, imposed by the acts of 1824 and 1828.

The exclusion of foreign iron from France, by high duties, gave an increased employment to capital and labor in that branch of business. But, had the foreign iron been admitted, it must have been paid for by the productions of France, which would have given employment to an equal quantity of capital and labor in furnishing these productions, while there would have been an annual saving to the nation of 9,000,000 dollars.

This is a practical illustration of the necessary effects of all pro-

* The New York Convention, at the very moment they denounce the principles of political economy, which are in truth the principles of common sense applied to the common affairs of life, and universally acted upon by all wise and prudent men—admit the correctness of this principle when they affirm, that it is a settled axiom, that “the industry of a nation is in proportion to the capital devoted to its maintenance.” Why, then, we ask, do they advocate a system which sinks vast amounts of property, by forcing capital from the branches of industry which increase the real wealth and resources of the country, and turning it to other branches which impoverish the nation? This is the effect of the “American System,” as has been illustrated by the case of the iron monopoly in France, sustained in that country, as with us, by those combinations of wealthy men, whose influence overrules Kings and Parliaments, as well as Republican Legislatures.

protective laws. They do not give increased employment to capital and labor, but merely force them from their natural direction, where they are profitable, into artificial channels, where they are unprofitable.

We will now proceed to inquire into the effect of high prices of iron on its consumption.

According to the statement in the Edinburgh Review, taken as is alleged from the most authentic sources, the quantity of unwrought iron produced in France in 1830, was 227,000 tons; to which 9,000 tons of foreign imported iron being added, makes the consumption 236,000 tons.

Now as the business was in a depressed state, this was probably beyond the usual wants of the country; but we will even estimate the consumption at 237,000 tons.

Let us now compare this with the consumption in Great Britain, where the price was less than half of that of the protected iron of France.

A statement before us of the returns from the various iron works in England, Scotland, and Wales, for 1827, gives 690,000 tons. We have no means of ascertaining the quantity exported; but it did not, we apprehend, exceed 190,000 tons, leaving 500,000 tons for the consumption of Great Britain. The population of the United Kingdom is 22,000,000; that of France 32,000,000. If the consumption of the latter country had been in proportion to that of Great Britain, it would have amounted to 727,000 tons, while in reality it appears to have been only 237,000 tons.

Here the effect of the protecting system was to raise the prices of the principal instruments by which the business of agriculture, and of the mechanic and manufacturing arts, is carried on. This, certainly, is a most unnatural way of promoting the industry of a nation.

Nothing, it will be confessed, can be more destructive to the business of the manufacturing and all the principal employments of life, than taxing iron, and other raw materials, which enter so largely into the cost of manufactures, and all other productions of labor. Accordingly, it appeared on evidence before the French Commission, appointed to inquire into the effects of the high price of iron, that it added from 20 to 33½ *per cent.* to the cost of machinery and implements of agriculture; for instance, 10 dollars to the cost of a plough, and 25 a 33½ dollars to the cost of cotton-spinning machines, &c. &c.

The great error of the French government was in attempting to force the production of a commodity, which, from the greater natural advantages, which England and other countries have of producing it, can be imported into France at one third or one half the cost of her protected iron; and exchanged for those articles of production, which France, from her superior natural advantages, can furnish cheaper than any other nation.

The high price of iron in this country has a similar effect on its consumption.

From the immense advantages we possess, in the cheapness of our lands, the economy and excellence of our institutions, the enterprise, skill and industry of our citizens, and the comparatively equal distribution of property—the consumption of iron, one of the first necessities of life, ought to be nearly or quite in proportion to that of Great Britain; or as 13 is to 22, the relative difference of population. This would make our consumption 295,000 tons; whereas, according to the most authentic statements, it is only 116,000 tons, including all sorts of manufactured articles. Others, however, call it 130 or 140,000 tons.

The cost of common bar iron in England is about £5 : 10s., equal to 25 dollars, per ton, which would make 500,000 tons cost the consumers the sum of 12,500,000 dollars. The average price of iron, domestic and foreign, consumed in this country, is 90 dollars per ton, which, taking the consumption at 140,000 tons, would make the cost to the consumers 12,600,000 dollars.

We appeal to every impartial and considerate mind, whether this investigation into the consequences of the high duty system, on iron, one of the most important articles of consumption, does not prove its oppressiveness upon every branch of industry,—manufacturing in common with all others.

THE SUGAR TAX.

THIS is a tax which can be estimated with more correctness than many others, because both the amount of sugar made at home, and that imported, may be accurately ascertained. According to the Treasury returns, the import of brown sugar for 1826 to 1829 (four years), was 256,572,770 lbs., of which quantity, 42,369,914 lbs. were exported, leaving for consumption, 214,202,856 lbs., thus making the annual consumption of *foreign* sugar 53,550,589 lbs.

The quantity made at home has never exceeded 90,000,000 lbs.; and within a few years has been as low as 65,000,000 lbs. We will estimate it at 75,000,000 lbs. and the importation at 55,000,000 lbs.

The duty on this amount of imported sugar is 1,650,000 dollars. This tax goes into the national treasury, as revenue; but on the domestic sugar there is also a tax of 3 cents per lb., amounting to 2,250,000 dollars, because the consumers are compelled to pay this increase of price, in consequence of the duty which prevents their bartering their produce for the cheaper foreign sugar.

The whole protecting duty on sugar, then, is 3,900,000 dollars, of which 1,650,000 dollars (the duty collected on foreign sugar) go into the treasury, *as revenue*, and 2,250,000 dollars go into the private pockets of a few wealthy planters of Louisiana, *as protection*.

Both from its magnitude and the small number who enjoy its benefits, there is no feature of the protecting system which exhibits its oppressiveness and gross inequality more strikingly than the tax on sugar. From a statement of the produce of 1828-9 (the largest crop which has been raised in this country), it appears that there were but 691 sugar estates, of which 207 were not in a productive condition. The quantity produced was 87,965 hhds., averaging 1000 lbs. each, or 88,000,000 lbs. Of the 484 estates in bearing, 170 produced less than 60 hhds., they may have averaged 40 hhds., or together 6,800 hhds., leaving 81,165 hhds. for 314 estates; the bounty on which, at 30 dollars per hhd., is 2,434,950 dollars, being 7,774 dollars to each estate, besides the bounty of 5 cents per gallon

on molasses. Some of the proprietors appear as owners of several estates ; so that, probably, there were not more than 450 proprietors who shared this enormous bounty.

Here, then, is a tax on a necessary of life of more than four millions *per annum*, levied on thirteen millions of people, for the protection of less than five hundred individuals, most of whom are doubtless in a prosperous, and many, as we have reason to believe, in a wealthy condition. Can any one deny, then, that the policy against which we contend, is unjust, unequal and oppressive? After the demonstrative evidence here adduced, can there be any hesitation in condemning a system which thus taxes the many for the benefit of a few, and which cannot accomplish the views of its supporters, unless it produce that effect?

That we may not be accused of undue severity in our judgment of the sugar tax, we will adduce the opinion of one of the most zealous advocates of the "American System." Mr. Carey says, "The exorbitant duty of 3 cents per lb., equal to 75 a 100 *per cent.*, on brown sugar, a necessary of life and chiefly used by the poor, is for the protection of the wealthy planters of Louisiana, who always vote, *en masse*, against the protection of manufactures, by duties of 25, 30 or 33 *per cent.* The duties on sugar operate most ruinously on the merchants engaged in the West India trade, in which that article forms a chief item of remittance, and is always, or, at least, almost always, a losing concern."

Mr. Niles says, "We are really impressed with a belief that if the duty on sugar was one and a half cent per lb., instead of 3 cents, that, while the revenue would be increased by the greater consumption of the foreign articles, the demand for our agricultural products, such as flour, beef, pork, &c., and many manufactures, would be nearly doubled in the increased trade which that reduction of duty would give rise to, in the enlarged market afforded for the productions of Cuba and other West India islands."

Here we have, from two of the most ardent supporters of the restrictive system, a striking, though by no means exaggerated account of the pernicious consequences of what they justly term "a monopoly of a necessary of life, chiefly used by the poor." But, as they further say, it not only imposes a heavy tax on the poor, but "operates most ruinously upon the merchants engaged in the West India trade, in which that article forms a chief item of remittance;" and thus, as Mr. Niles affirms, deprives us of a demand for those agricultural productions and the employment of that shipping, on which the poor and industrious classes depend, not for luxuries, but for comfort and subsistence.

There is not, indeed, a branch of commerce affording a more useful occupation to capital and labor than our trade with Porto Rico, St. Croix, and Cuba. From these places we draw the greatest part

of our supply of foreign brown sugar, in exchange for the staple and bulky articles of our soil, for which we stand in the greatest need of a foreign market. Notwithstanding this, we tax their sugar 75 *a* 100 *per cent.*, and their spirits nearly double even that extravagant rate. This trade also employs a vast quantity of our shipping, and a great many seamen. Yet the farmers, merchants and navigators are told, and many of them are made to believe, that the existing system is beneficial to agriculture, commerce, and navigation.

The cause, however, bad as it is, has had zealous, and we doubt not honest defenders. How could it be otherwise, embracing as this does, the interests of a small but wealthy class, sustained, too, by other classes having like interests and pretensions to defend? An examination of the leading positions on which the advocates of this monopoly rely for its defence, will conclude what we have to say on this part of our subject.

I. It is contended that the planters were encouraged by legislative protection to undertake the cultivation of sugar, and therefore it would be a violation of the public faith to withdraw any of the protection now enjoyed. In conformity with this view of the subject, the Legislature of Louisiana, in their Memorial to Congress during the last session, assert, that "a slight historical retrospect will prove that it was in a great measure an involuntary direction of their industry. The General Government, if it did not compel them to the pursuit, invited them to attempt it."

A brief statement of facts will, we think, utterly overthrow this part of their defence.

The system of high protecting duties commenced in 1816. The cultivation of sugar in Louisiana existed long before that period. According to Pitkin, the produce in 1810 had risen to 10,000,000 lbs., and he adds that the culture was rapidly extending. Coxe confirms this statement. At that period, Pitkin estimated the consumption of all sorts of sugars at 70,000,000 lbs.; so that our domestic production of Louisiana and of maple sugar (which was also about 10,000,000 lbs.), was equal to about two-fifths of the consumption of brown sugar. The duty on foreign brown sugar was then 2½ cents per lb., or about 20 *a* 25 *per cent.* on the then cost of foreign sugar; and it was established at that rate, before Louisiana was admitted into the Union, *not for protection, but for revenue.* At this time, with no higher duty than 25 *per cent.*, and that absolutely necessary for revenue, it cannot be pretended that the planters were forced into the culture of sugar, or even encouraged to it, by legislative bounties.

But it is further contended in the Louisiana Memorial, that, by the act of 1816, further encouragement was granted, which strengthens their claim to the existing bounty of 75 *a* 100 *per cent.*

The war duty on brown sugar was 5 cents per lb., which, at the cost of the article at that time, was not half so high as the existing ratio of protection. Nevertheless, Congress reduced it to 3 cents, thus adding but half of a cent to the duty, first imposed, of $2\frac{1}{2}$ cents, whilst the duties on woollens were raised from the former rate of 15 per cent. to 25 per cent., and on cottons from 15 per cent. to an average of 30 a 40 per cent.

What, then, was the ratio of protection which the planters of Louisiana received, by the duty imposed on brown sugar by the act of 1816, solely for revenue, and on which they now rest their claims to a protection of 75 a 100 per cent.?

Mr. Senator Johnson says, "The price of sugar in 1816 was 18 cents, the duty of 3 cents was 16 per cent." This comes from one of the most intelligent and zealous advocates of the existing duty. We believe, however, that the cost of brown sugar abroad, was 10 a 12 cents per lb., making the protection 25 a 33 $\frac{1}{3}$ per cent.; and this, we apprehend, is the utmost ratio which can be claimed on the ground of encouragement to the cultivation by acts of legislation.

II. It is maintained that the nation has been compensated for the high duties, by the beneficial effect of the home competition in reducing the price of sugar. That is to say, the additional supply of the sugar raised in Louisiana, since 1816, is the cause of the fall in price in all parts of the world. "It is a great mistake," says the Memorial to which we have adverted, "to suppose that the sugar of the West Indies could be afforded at the present prices, if the competition, created by the productions of Louisiana, ceased in the market."

This is one of the most popular arguments by which the extreme duties, not only on sugar, but on cottons, woollens, iron, &c. are defended. No one, however, acquainted with the causes which regulate the market value of the great staples of commerce, will allow it any weight—for the obvious reason, that the quantity of sugar raised, or that can be raised here, is inconsiderable when we take into view the general supply of the article, and the unlimited quantity of labor and extent of soil, which can be brought into requisition for its production, in climates much better adapted to its cultivation than Louisiana.

The market price of all commodities depends upon the proportion of the supply to the demand. The return of peace, after the fall of Bonaparte, created a sudden and great demand for most of the great staples of commerce, and of sugar among the rest. The consequence was a rapid extension of the production of them, which, in time, reduced the price of almost all of them, and perhaps of none more than the article of sugar. At this moment it is extremely depressed, and probably below the cost of production, allowing the average rate of profit on capital.

In 1815 and 1816, brown sugar (now selling at 6 a 8 cts. per lb.) was worth 12 a 16 cts. per lb. In Cuba, the qualities which are now selling at 2 a 3 cts. per lb., were then at 6 a 8 cts. per lb.; and the reduction in price in other countries has been equally great. All this was the necessary consequence of the high prices of the former period. To ascertain the effect of the increased cultivation in Louisiana upon its price, let us estimate the general supply of sugar in the great markets of the world.

The consumption of Great Britain is about 400,000,000 lbs.; that of France about 200,000,000 lbs., of foreign and domestic; and that of all Europe besides, we will call 500,000,000 lbs. The consumption of the United States is about 150,000,000 lbs.; that of the rest of the continent and of the islands, at least as much more, making in all, 1,400,000,000 lbs. To this is to be added the consumption of those countries and islands in Asia, to which we can, and do, freely resort for supplies, making the aggregate 2,000,000,000 lbs. The production must be somewhat greater, at this moment, as may be inferred from the accumulation of stock for some years past. We do not profess to be very accurate in this statement, nor is it essential to our purpose to be so; but we are confident that we have not over-estimated the annual produce of this great staple.

In 1810, the produce of Louisiana was 10,000,000 lbs.; in 1816, it was probably 25,000,000 lbs., and it is now about 75,000,000 lbs., making an addition to the general supply of 50,000,000 lbs. since the protecting system commenced. This is $2\frac{1}{2}$ per cent. of the total supply of the commercial world. The question is, what effect can the additional supply of so small a proportion of the whole quantity have upon the price of this staple?—To our apprehension, the effect would have been imperceptible, had this quantity never been raised, or were its production now stopped. But even were it demonstrable that this $2\frac{1}{2}$ per cent. of the amount raised, had a material effect on the price, the obvious answer would be, that the extension of its cultivation in places infinitely better adapted to it than Louisiana, would immediately remove the difficulty. We are placed within a few days sail of the finest sugar countries in the world. Its culture could be increased there to almost any extent, and were our planters to abandon it, we might be supplied with any addition to the amount of our present consumption, at half its present price.*

* The following statement shows at how low a price sugar can be raised, in a climate and soil suited to its production, and the excessive bounty paid to sugar planters.

"The duties in the 'AMERICAN SYSTEM,' generally considered most oppressive," says *A Correspondent* of the Salem Gazette, "are those upon sugar, hemp, iron, and manufactures of coarse woollens. The duty upon sugar oppresses all classes; because, as an article of necessity, it is used by both rich and poor throughout the Union. The great shipping interest is oppressed by the duty on

The same remarks, with regard to the fall of prices, are applicable in a greater or less degree, to the reduction in the prices of nearly all the other protected articles. They have fallen, not, as is most absurdly maintained, because they are taxed, nor because of domestic competition, but from causes operating upon all the markets of the world, and which would have reduced them to their present rates, had the protecting system never been thought of.

III. The advocates of the sugar monopoly urge as a reason in favor of its continuance, the employment of a great deal of capital and slave labor, by which the value of slaves is enhanced in the slave-holding States.

The amount of capital and of slave labor employed in the cultivation of sugar, has been immensely exaggerated. As few, even amongst the intelligent classes have investigated the matter, and as the assertions of those interested in sustaining the system are taken upon trust, the current representations upon this subject have had much effect in reconciling many to the system.

Mr. Niles says, "The sugar business employs 18,000 full hands," and adds, that "the ruin of the sugar planters would depreciate slave property in the United States 100,000,000 dollars."

hamp, whilst that upon iron, an article of the first importance, bears upon all, and particularly upon the agricultural class. Manufactures of coarse woollens are taxed generally over one hundred *per cent.* upon their European first cost, and the effect is to oppress the poor in every part of the Union; as the cheapest and coarsest goods are taxed the highest. But as to sugar, which is first referred to,—when we reflect that the whole number of proprietors of sugar plantations is but about 700, who prepare the article by the aid of *slave labor* exclusively, (the number of slaves of every description being about 35,000) we cannot but ask ourselves, is it reasonable, is it just, that the whole Union should be taxed five and a half millions of dollars, that seven hundred planters should grow rich? To show more forcibly the oppressive effect of the high duty upon sugar I give herewith a statement of the *actual* cost, all charges included, of six hhds. of sugar of good quality, bought the past season at Ponce, in Porto Rico, and which shows it to have been placed on board ship for a fraction less than *one and a half cents per pound*; and have added also the nett weight returned to the custom house here, with the amount of duty charged thereon:

Ponce, 1831.

6 hhds sugar, weighing 5013 lbs. at 1½ cts.	\$75 19
Export duty	13 13
Commission, 2½ <i>per cent.</i>	2 20
Lighterage	2 48

Total \$93 00

\$93, Porto Rico currency, is equal, at 20 *per cent.* discount, to \$74 40

"The return weight to the custom house was for nett lbs. 4963, upon which a duty of three cents per lb. was charged, amounting to \$148, 89, a sum actually *double its cost* in Porto Rico, and in effect *trebling its cost* in the United States, the moment the duty was ascertained.

"The above facts must satisfy every candid mind that the duty of four cents upon white, and three upon brown sugar, is extremely oppressive, and bring home the question as to the expediency of its continuance, to the bosom of every man in New England."

Mr. Edward Everett, however, in his speech, in May 1830, in defence of the present system, goes much further. He says, "The sugar culture, which has grown up in Louisiana under the Tariff laws, has created a new demand for labor, which is met principally from the old Atlantic States. It is my deliberate opinion, that hitherto the States most benefited by the laws for the protection of manufactures, lie south of the Potomac. The Southern States have a monopoly of a species of property, increasing in numbers, and which under any circumstances decreases in value. I mean their slaves."

Mr. E. proceeds, and estimating the number of slaves at 2,000,000, at 200 dollars each, giving a capital of 400,000,000 dollars, he maintains that the transportation of slaves from the other States to Louisiana for the increasing cultivation of sugar, has affected the value of the whole slave property of the United States 100 *per cent*.* Mr. E. closes by asserting it as his belief that the labor of the South, now amounting to a monied capital of 400,000,000 dollars, would not, but for this circumstance, be worth more than 200,000,000 dollars at this moment, and that rapidly declining. "Here, then, (he says,) is one operation of the Tariff, creating to the Southern planter a capital of 200,000,000 dollars, or 12,000,000 dollars annually."

Mr. Senator Johnston, in his letter to the Secretary of the Treasury, concurs in Mr. Everett's views. Mr. J. estimates the whole slave population at 2,153,870, at 200 dollars each, making 430,674,000 dollars. The value of this property, throughout the Union, he considers so entirely regulated by the number employed in the cultivation of sugar, that a reduction in its price of but 1 cent per lb., would sink the slave capital from 430 to 215 millions of dollars. "The present price of slaves," he says, "is fixed by sugar at $5\frac{1}{2}$ cents per lb.; of this, the expenses are equal to $3\frac{1}{2}$ cents, leaving 2 cents profit,† and this 2 cents constitutes the standard of the val-

* "I know that this trade is regarded as discreditable to the South; that the last thing a planter will part with is his servants. But in the division of estates, in the execution of judgments, in the punishment of misconduct, cases arise under the laws of the country, in which these sales of this kind of property take place, and by them the demand for Louisiana is supplied. I am told that the effect of this demand on the value of slaves, is equal to 100 *per cent*; that the whole mass of the property is enhanced, or kept from falling to that extent."

The above extract is from Mr. Everett's speech in Congress in defence of the taxes on sugar, iron, wool and woollens, cotton goods, glass, &c. ranging from 25 to 200 *per cent*. and bearing on the people, not in proportion to their wealth, but to their want of it,—one of the characteristic features of the "American System." For a satisfactory refutation of the principles on which the system is founded, the reader is referred to the North American Review, from 1816 to 1826, in which will be found a series of well written essays, some of which have often been attributed to Mr. Everett, and never denied by him.

† According to this statement, the gain on sugar, at the price of $5\frac{1}{2}$ cts. per lb., is 2 cts. on a cost of $3\frac{1}{2}$ cts., equal to 56 *per cent*. But the price of sugar, for the last fifteen years, has averaged 8 a 9 cts. per lb., which raises the profits much high-

ue of slaves ; whatever, therefore, diminishes this sum, diminishes the value of slaves by the same rule. Thus, the reduction of 1 cent profit would diminish the profit one half, and therefore the rate of interest in the investment one half, and therefore the value of slaves one half.”—“ It is the production of this article of sugar in Louisiana, which gives the actual value to slave property ; the price of those brought here annually, is usually not much less than 2,000,000 dollars, estimating them at their first cost in Virginia, Maryland, and the other States where they are purchased.”

The only impression on a rational mind from such a high-colored picture of the pecuniary advantage of the sugar culture and the domestic slave trade, would be, that at least, one half of the slave population and a large portion of the money capital of the Union, were employed in the cultivation of sugar, since nothing short of this could produce such a result, as sustaining the value of 430,000,000 dollars, to the extent of 50 *per cent*.

Let us examine this subject, first, with regard to the amount of capital employed. The gross value of an average crop of sugar, estimating it at 75,000,000 lbs., and at Mr. Johnston's value of 5½ cents, is 4,125,000 dollars. To this is to be added 3,000,000 gallons of molasses (at 40 gallons per hhd.) at 20 cents, amounting to 600,000 dollars ; making the *gross value* of the sugar crop 4,725,000 dollars. This, certainly, does not indicate the employment of a very large capital,* including in the term, slaves, fixtures, land, and every other species of investment.

Let us compare this amount with the whole productive industry of the country, which Mr. Everett, in the very speech alluded to, estimates at 1,000,000,000 dollars annually. Now the value of land and labor depends on the general employments of the country, and not on any particular branch of industry. But, it may be contended that the value of slave labor depends on those particular employments pursued in the slave-holding States.† Granting this, we

er, even though a liberal allowance be made for greater charges of cultivation, than are now incurred. That the planters of Louisiana should be desirous to sustain a monopoly like this, is not surprising. But it is lamentable that the nation is deluded into the support of a system, of which this sugar tax is one of the *least* onerous burdens it imposes. It is still more lamentable that our National Legislature should lose sight of every principle of justice, in refusing to relieve the country of such an unjust, unequal, and unnecessary taxation.

* It should not be forgotten that nearly the whole of this capital could be applied to other purposes, were the culture of sugar abandoned, and that the tax paid by the country, for supporting this culture, is 3 cts. per lb., on a consumption of 150,000,000 lb., equal to 4,500,000 dollars *per annum*, or *about the whole gross value of the sugar crop of the United States*.

† If any reliance can be placed on Mr. Senator Johnston's estimate of the cost of sugar, which he calls 3½ cts, affording a profit of 56 *per cent*., at the low price of 5½ cts per pound, a considerable reduction of duty might be made, and still leave the planters a handsome profit. The annexed statement from the New York Evening Post, corroborates, in some measure, that of Mr. Johnston, though it makes the profit less.

will estimate the annual product of these employments, such as raising cotton, grain of all sorts, tobacco, naval stores, provisions, &c.,

"At the time when Louisiana was transferred to the United States, there were comparatively but few sugar estates in that colony: The great advantages which the new political connexion offered to those engaged in this branch of agriculture, had the effect to induce the formation of similar establishments by settlers from every part of the Union, and in a short time sugar became one of the staple articles of the new State. The quantity has continued to increase, and to such an extent, that the crop of the present year is estimated at about one hundred thousand hogsheads, or one hundred millions of pounds. This increase is not to be wondered at, when we consider that the planter is in the first place protected by a duty of three cents per pound on foreign sugar, and that in the second place, his crop is shipped to the northern and western consumer free from any Custom House duty, and that such supplies as his estate may require from other parts of the Union are brought to him also free from all custom dues. It follows, therefore, that their sugar is sent all over the Union, charged only with the expense of transportation, insurance and commissions, and other supplies are received equally as cheap.

"Having some experience in sugar plantations, we will now proceed to examine whether such extraordinary protection is absolutely necessary.

"We will suppose that a plantation has been made at an outlay of fifty thousand dollars, an investment, however, by no means common with new settlers, who generally have not the command of such large means.

"The capital is laid out as follows;—

In 500 acres of land, at \$10 per acre, - - - - -	\$5,000
60 negroes, at an average of \$300 each, - - - - -	18,000
Dwelling, negro and other houses, works, tools, steam engine, &c. - - - - -	23,000
Expenses of living before making a crop, and other incidental expenses, - - - - -	4,000

\$50,000

"Of the 500 acres, 300 will be laid out in canes, and the remainder will be for pasturage. The good lands are generally said to yield 1500 pounds of sugar and 100 gallons of molasses: but we will take what is considered a low medium—say 300 acres of cane, at 1250 lbs. per acre, 375,000 lbs; molasses, about 84 gal. per acre, 25,000 gallons. At the present time sugar is quoted on the plantations, in the New Orleans Price Current, at 5 cents, and molasses at 15 cents. In former years they have been quoted and sold much higher.

375,000 lbs. brown sugar, at 5 cts. per lb. - - - - -	\$18,750
25,000 gallons molasses, at 15 cts. per gal. - - - - -	3,750

\$22,500

"Deduct for yearly expenses of the estate, - - - - - 3,000

\$19,500

"Thus we see a nett revenue of nineteen thousand five hundred dollars, or an income of 39 per cent., on an investment of fifty thousand dollars—a result which we apprehend is not far from correct. Thus much for protection.

"Let us now proceed in examining whether the business would be worth pursuing, without this extraordinary contribution from the people. Let us see what would be the condition of the planter, were the duty on foreign sugar reduced two cents, that is to say, from 3 cents to 1 cent per pound—which reduction would have the effect to reduce the price of domestic sugar in a like proportion. We have already said that 300 acres of cane-planted land would yield 375,000 lbs. sugar, which, at the reduced price of 3 cents, is

375,000 lbs. sugar, which, at the reduced price of 3 cents, is - - - - -	\$11,250
25,000 gallons molasses, at 15 cents, - - - - -	3,750

\$15,000

"Deduct as before for yearly expenses - - - - - 3,000

\$12,000

in which slaves are actually employed, at one third of the whole produce of the country ; it would amount, according to Mr. Everett's

"Or, at the reduced price of 3 cents per pound, 24 *per cent.* on his capital. Now this is simply the nett income from his outlay, without taking into our calculations the increased value of his farm, or the natural increase of his negroes. How do these results compare with those of our farmers of the North and West? Can any one of them boast of such golden returns? Yet he of the North or West has not been sparing of his labor. He and his sons have worked with their own hands in the field; they have, perhaps, cultivated with their own hands quite as many acres; and, when, at the end of the year, they have sold the whole fruit of their labor, what is the sum total of their earnings? Why, if any one of them has made a clear two thousand dollars, he has done better than most of his neighbours. And we ask, why should this man be called upon to bear his proportion of a tax avowedly levied on him to enrich a fellow citizen, who stands precisely in the same moral condition as himself?

"But it is said the sugar planters laid out large capitals under the implied faith of the government, that they would be protected against foreign competition by laying a duty upon that imported from abroad. In the first place, we deny this doctrine of implied protection. Congress has from time to time increased or modified the Tariff, as has appeared to them necessary or expedient, without pledging itself to pursue any permanent system of protection. But even had such a pledge ever been given, is it absolutely necessary that a government should perpetuate an error, because it has once committed it? Must we, year after year, persevere in enforcing a law which a large portion of the law makers themselves now acknowledge to be impolitic or oppressive? Another plea for protection is the uncertainty of the sugar crop in Louisiana; and we must confess that of all arguments this appears to be the most extraordinary, that any set of intelligent men should seriously ask of their fellow-citizens to protect them, by taxing themselves, for pursuing a business which nature herself has made hazardous. We are told that the sugar crop is precarious on account of the climate. Therefore, because the climate of Louisiana is not always congenial to the growth of the sugar cane; because an early or a late frost, or a wet or a dry season, destroys a little or much of the crop, we, the consumers of the article, are required to make good this loss in good years, as well as in those seasons when the crop has failed. In short, we are asked to tax ourselves to insure the planters against loss in an undertaking which they themselves pronounce hazardous.

"But let us examine further into the *extent* of the sacrifices which we are called upon to make, in order to protect this branch of agriculture.

"On referring to the last report of the Secretary of the Treasury, on the commerce and navigation of the United States, there appears to have been imported up to 30th September, 1829:—

68,597,574 lbs. brown sugar.	Exported	- - - - -	\$10,643,859
4,709,720 lbs. white do.	Do.	- - - - -	1,699,629
Leaving for consumption—			
57,953,715 lbs. brown sugar, paying 3 cts. per lb. duty	-	-	\$1,738,611,45
3,010,091 lbs. white, paying 4 cts. per lb.	-	-	120,402,64

"It appears, then, that the people have contributed \$1,859,014,09 for protection of domestic sugars. But large as this sum is, it is not all. We are required to contribute a much larger sum in another way, although not quite so apparent: we are called upon to pay the Louisiana planter three cents per pound more for his sugar, than we should do, could foreign sugars come to the consumer without the present duty of three cents per pound. We will suppose the quantity of foreign sugars consumed during the present year, the same as that reported above, and we will suppose the quantity of the last Louisiana crop to have been 80,000,000 pounds. Now, if the consumer, by reason of the protecting duty, has to pay three cents per pound more for the domestic sugar than he would have to pay were there not that duty on sugars from abroad, does it not follow that 2,400,000 dollars must be added to the 1,859,014 dollars paid into the Treasury of the United States, in order to show the sum total of what

statement, to 333,000,000 dollars, of which the sugar product would constitute something less than 5,000,000 dollars, or about $1\frac{1}{2}$ *per cent.* of the value of the whole production of slave labor; and about one half of one *per cent.* of the whole production of the country.

Does not this investigation of facts demonstrate the incorrectness and enormous extravagance of the statements under examination?

2d. We now proceed to examine the quantity of labor employed, and we shall here again refer to Mr. Johnston's statement; and though he unquestionably over-estimates the numbers of slaves dependent on the culture of sugar, we will, for the argument, admit that he is accurate as to the numbers employed in it. He says, "The production of 100,000 hhds., requires 25,000 effective hands; and adding for children that are unproductive, there may be estimated 35,000 slaves, now engaged in the cultivation of sugar."—"It will require an increase of half that number, to be taken to Louisiana and established on the sugar estates, to supply the home market for sugar, which together will make 52,500 slaves."

The crop of sugar in Louisiana has never reached 90,000 hhds., and has not, except in two or three instances, exceeded 60,000 hhds. Mr. Everett calls the average crop 70,000 hhds. We will estimate it at 75,000, and, according to Mr. Johnston's calculation, this amount would require 18,750 effective hands for its production; and adding for children, the whole number would be 26,250 slaves now engaged in this cultivation. The market price of slaves, rearing them, as is here proposed, as an article of merchandise, depends on the proportion of the supply to the demand, and not on any particular occupation in which they may be engaged. The employment of 18,750 hands in the cultivation of sugar, has no greater effect in sustaining the value of slaves, than the employment of the same number in the cultivation of rice, cotton, tobacco, or grain; and an argument founded on the opposite belief, implies, to our apprehension, a gross ignorance of the subject, or an utter contempt for the understandings of those to whom such reasonings are addressed.

The whole number of slaves in the United States is estimated by Mr. Johnston at 2,153,370, of whom but 18,750 effective slaves are engaged in the production of sugar. Nevertheless, we are told by this gentleman and other ingenious advocates of this monopoly, that the employment of this small number, equal to less than 1 *per cent.* of the whole slave population (and less than $1\frac{1}{2}$ *per cent.*, even with their unproductive adjuncts), has the effect of sustaining the value of that whole species of property, to the amount of 215,000,000 dol-

the sugar consuming people pay for protecting a precarious business—a business which the arrangements of nature have confined to a small section of our country only?"

This well written communication sustains the view we have taken of the tax imposed by the sugar duty on the consumers.

lars, being the extent of half of its present estimated value. Can any thing be more preposterous than such a conclusion, or the arguments adduced in its support?

As an inducement to the slave-holders of other States to support the sugar duty, the prospective benefits of its more extended cultivation are held out to them, in the consequent increase of the demand for their slaves in the market of Louisiana. Here, again, we resort for facts to the evidence of one of the best informed and most ardent supporters of the Tariff. Mr. Johnston says, "In ten years the consumption of sugar will require more than 200,000 bhd's., and double the number of hands, and twice the amount of capital now employed."

The crop now requires 26,250 hands, productive and unproductive; and supposing, with Mr. Johnston, that it will double in ten years, the increased number for this great extension of the business, will be equal to the number now employed, and *were they all to be procured from other States, it would furnish an annual demand for 2,625 slaves.**

According to Mr. Johnston, the whole slave population of the country is 2,153,370. If they increase in the ratio they have done heretofore, at the end of ten years, their number will reach to nearly 3,000,000. The annual births may now be taken at 50,000, and in ten years they will have attained to 70,000. What effect, then, we ask, can an increased demand for 2,625 slaves have on a population of from 2 to 3 millions, with an annual addition to its number of from 50 to 70,000?

But even this benefit from a domestic slave-trade, thus held up to the nation, as one of the valuable results of the "American System," is hypothetical; and, if we can credit the Legislature of Louisiana, not likely to be realized. The argument which holds out the lure of an increased demand for slaves, proceeds on the assumption that Louisiana does not raise slaves enough, on her own territory, for the employment of her increasing capital, but must rely upon importations from other States. Now this is flatly contradicted by the Legislature of Louisiana, who, in their Memorial to Congress, assert, in unqualified terms, "*Louisiana has an extent of soil and a slave*

* Mr. Everett states in his speech, when urging the domestic slave-trade as one of the beneficial effects of the "American System," that "three millions of dollars go to the planting States for slaves." Now, if this branch of domestic industry is in such an active and flourishing condition, it cannot be attributed to the sugar tax, except in a small degree, since, according to Mr. Johnston's statement, the annual demand for slaves, effective and non-effective, is but 2625, which, at 200 dollars per head, would amount only to 525,000 dollars. In truth, as we shall hereafter show, by the Memorial of the Legislature of Louisiana, that State has already a sufficient slave population to carry on its increasing sugar cultivation. The importation of slaves from other States has been put under severe restrictions, by a law lately passed by the Legislature of Louisiana.

POPULATION, *capable of producing double the quantity of sugar that she now does.*"

But suppose it were true that a continuance of the existing sugar tax would promote an annual increased demand for 2625 slaves, and thus sustain the value of slave labor, to the extent represented; at what cost is this to be accomplished? We answer, at the cost of 4,500,000 dollars *per annum* on our present consumption; and should it, as Mr. Johnston anticipates, double in ten years, we shall then have a sugar tax of 9,000,000 dollars *per annum*. As far as the attainment of this object is in view, viz. the promotion of the domestic slave trade, how much more economical would it be for the nation to purchase the 2625 slaves, and transport them to Africa? At Mr. Johnston's valuation of 200 dollars per head, this might be effected for 525,000 dollars at a saving; for the whole period in question, of more than forty millions of dollars.*

IV. Another popular argument, and one which addresses itself with much force to an active and influential class of men who are induced

* The following remarks of the Editor of the New York Evening Post sustain the view we have taken of this question. That journal is one of the few, in the Northern and Middle States, which have taken a manly and independent course, on this important question—advocating, with great ability, the cause of the people against the cause of monopoly disguised as it is under the plausible terms, invented by those who enjoy its benefits.

"Mr. Johnston's letter on the *sugar duty*, some extracts of which we published on Saturday, is a very curious document for Northern eyes. His great argument in favour of continuing the present heavy tax on sugar—namely, that it will prove a great encouragement to the raising of negroes—is admirably calculated to make the people of this quarter submit to the tax without murmuring. Let the farmer, who tills the soil with his own hands, and who pays five or ten dollars a year as a tax on this important necessary of life, just recollect that he is giving the money for the increase of slaves in Louisiana and Florida, and he will doubtless pay it cheerfully; and will moreover thank the virtuous gentlemen who represent him in Congress for obliging him to submit to it. Above all, we shall expect such of the editors of newspapers as are members of manumission and colonization societies to come out in favour of the continuance of the sugar duty, since it is likely to give them a handsome increase of business. At least, we shall expect them to be silent, and let the tax be kept on quietly.

"Some arithmeticians, however, we learn, have set themselves to calculating the profits of this speculation, and, as we hear, they have come to the conclusion that the additional number of slaves which will be raised in this way, will not be quite worth the tax that will be paid for their sake. Mr. Johnston supposes that in five years an increase of 26,000 slaves will be needed to cultivate the sugar estates, provided the tax is kept on. These slaves being valued, according to his estimate, at 200 dollars each, will be worth 5,200,000 dollars. Now, the sugar tax paid by the people of the United States, amounts to about *four millions and a half* every year. The aggregate of the five years tax will exceed twenty-two millions, enough to buy these negroes five times over. This will be a most effectual consolation for the Northern farmers. Even the Southern States themselves will have paid in this tax twice as much as the negroes are worth.

"Let it not be said that this tax is not paid by the consumers. Mr. Johnston expressly asserts that it is, and, indeed, this is a part of his argument. He says in his letter: 'The present price of sugar at $5\frac{1}{2}$ cents is sustained by a duty of 3 cents a pound. *If the duty was removed, foreign sugar would be sold 3 cents less, and ours would fall in the same proportion.* That reduction would bring sugar below the actual cost, and therefore it could not be made, even if

thereby to suppose their interests closely connected with the sugar trade, is, that it affords employment to domestic labor and capital, *

land and slaves cost nothing.' Here is a direct affirmation that the duty comes out of our pockets, and is paid to the producer; and all this in the teeth of those who maintain that a protecting duty makes the article cheaper."

* The following well-written and forcible statement from the *Salem Gazette*, presents a striking view of the folly as well as oppressiveness of the sugar tax. Some of the writer's data, we notice, are taken from Mr. Niles's Register, and are on that account deserving the confidence of our opponents—he being one of the most accurate and able writers in favor of the "American System."

"In Niles' Register, Vol. 9, page 405, is the following extract from a letter to a member of Congress in 1816, communicated to the editor:—

"The cultivation of the cane is rapidly extending with us (in Georgia.) I have received some interesting information on this subject, which may be interesting to you. Major Butler, on 85 acres of land, cultivated by 17 hands, produced 140,000 lbs. sugar, and 75 hogsheads molasses.' John McQueen, Esq. planted 18 acres in cane; average product 20,000 canes per acre; 5000, the product of one fourth of an acre, yielded 600 gallons of juice, which, boiled down, made 672 lbs. sugar, and may lose 50 lbs. in draining, leaving 622 lbs., or 2488 lbs. sugar to the acre.

"It is stated that the culture of sugar in Louisiana, (see Niles' Register) sold at 8 dollars 50 cents per cwt., gives 732 dollars for the labor of each hand employed. This is, however, considered the maximum, and is 164 dollars per hand more than the same price would give Major Butler, as stated above.

"Therefore, take the statement of Major Butler, (who in cultivating 85 acres must have tested fairly the cost of producing sugar), as data, and call the whole annual production 80,000 hogsheads, or 800,000,000 lbs.—If 17 hands produce 140,000 lbs., 9714 hands will produce all the sugar now raised in this country, or 80,000,000 lbs.; and supposing the same proportion of molasses as stated above, 75 hhds. to 140,000 lbs. sugar, would be 42,857 hhds, or say 4,285,700 gallons; and if 140,000 lbs. require 85 acres cultivated land, 80,000,000 lbs will require 485,714 acres. So that less than 10,000, say 9714 working hands and 485,714 acres of cultivated land are all that are now employed in raising all the sugar and molasses produced in the United States; and to sustain this interest, the people of this country, and that class too the least able to bear it, are taxed annually, nearly the whole value of the production itself, as will appear by the following:—

"Duties accrued on Sugar imported in 1830—79,776,781 lbs.	
at 3.009 cts. average	\$2,465,203 53
8,347,019 gals., at 5 cts. per gal.	417,350 95
80,000,000 lbs. sugar, domestic production, at 3 cts. per lb.	2,400,000 00
4,285,700 gals. molasses, domestic production also, at 5 cts.	
per gal.	214,275 00
	<hr/> \$5,496,828 48

"Thus the enormous sum of 5,496,828 dollars is annually paid by the consumers of one of the great necessities of life, as a bounty to about 700 planters in Louisiana, to enable them to keep up the value of their land and slaves unnaturally high, and to realize great profits; for it seems to be conceded by all who have written upon the subject, that the climate and soil of Louisiana, part of Florida, Georgia, &c. are admirably adapted to the culture of sugar; that it is as much a natural production of the soil as cotton, and can be raised as cheap in this country as any where, and to almost any extent. If so, why, upon the principle of the protective system itself, should this enormous duty be continued, and an unnatural stimulus given to the production of an article, which must in a short time exceed the consumption of the country, when the surplus must be exported, and of course the price of the whole fall to a level with that produced in other countries, and thereby produce the same effect upon the planter as

in furnishing to Louisiana our agricultural and manufacturing productions in exchange for her sugar. Mr. Johnston says, "A large

if the duty were repealed, and even much more disastrous, as there will then be a much greater interest involved? With such a bounty as is now in fact given by Government, *abundance* of land adapted to its culture, *plenty* of slaves, and higher profits than can be realized by any other application of capital, competition will be increased, and the cultivation very rapidly extended.

"It appears by a letter from Mr. Johnston, of Louisiana, a great advocate of the protective system, to the Secretary of the Treasury, in 1830, in reply to his circular requesting information on the subject, that there were then 725 sugar plantations, with 35,000 slaves of all ages and both sexes upon them; and that with an accession of 26,000 more, they could produce 300 hogsheads sugar on each, making in all 217,500 hogsheads, or 217,500,000 lbs., which is 50 to 60 million lbs. more than the present consumption of this country, and must of course be exported and thrown into foreign markets in competition with the sugar of the East and West Indies, South America, &c. Such being the actual situation and the probable future condition of the sugar interest in the United States, to continue the duty, on the principle of protection, is too manifest an absurdity to merit comment, as it is perfectly evident it could be of no avail—even supposing it to be the true policy of this country to encourage the application of labor and capital to the production of an article of no more value, when produced, than the tax which is levied upon the labor of the *whole* community to create it, and thereby the use of the capital and labor employed in it being absolutely *lost* to the country, inasmuch as it is necessary, in order to sustain those employed in this branch of industry, to transfer to it the proceeds of the labor of an equal number employed in some other, or a portion of all others in the country. It is precisely as it would be with an individual, who should insist upon expending his capital and labor in the production of something of no value, or that could be obtained without capital or labor on his part, and therefore of no cost to himself. For with less than the amount of tax now paid, *all* the sugar produced here could be imported from abroad, and paid for, and therefore the operation of the present system is in fact *more* injurious in its effect upon the public interest, than if the Government were to take from the *treasury funds* sufficient to purchase abroad the same quantity of sugar and molasses as is produced in this country, and *give* it to the 725 planters employed in that business, to be sold, for their own benefit, to the consumers, because *then* their capital and labor could be employed in the production of some real value to the country, by being applied differently, supposing sugar not to be a natural production and not congenial to the climate and soil, and incapable of being raised without protection. But as regards this article, that is not the fact. It can be raised and *would* be raised, with or without a duty, and would no doubt yield as much to the planter, as any other cultivation, in the southern section of the Union, and then be sold to the consumer, as cheap as it could be imported, so that the expense of freight, insurance, and other charges incident to the importation, and a small duty that might be imposed for revenue, would be ample protection, and enough to induce the extension of the culture beyond the wants of the country and leave a surplus for exportation. If true, as stated in Niles' Register, that sugar, sold at 8½ dollars per cwt., will give to each hand employed 618 dollars, more than double what, I believe, is considered good business for a planter, it is evident there will be no difficulty in raising sugar, as cheap as it can be imported. And the present would seem to be a peculiarly favorable time for commencing a reduction of the duty, as the price of sugar is now depressed below its natural value on the actual expense of producing it in the usual places of growth, and therefore the present low rates can only be temporary, and probably the price would rise nearly as fast as the duty is reduced, supposing the reduction to be prospective in its effect, and consequently would be very little, if any, felt by the planter. So far then as the planter is concerned, it would be decidedly for his interest that the duty should be gradually reduced. Therefore upon whatever ground you place the continuance of the present enormous duty upon sugar, now it is not wanted for *revenue*, it is untenable, and cannot and ought not to be sustained upon *any* principle."

amount of money finds a profitable employment in Louisiana, the interest of which is annually carried back."—"The labor is drawn from other States, and abstracted from other pursuits. The chief articles of food are furnished in the West, and the clothing in the North. Animals, iron, tools of every description, machinery to a vast extent—in fine, almost every production of the sea and land, of the mines and the workshop, are required for the production of sugar. It is not therefore a local but a general interest."

We here see the same exaggeration, as to the importance and magnitude of the sugar business, as has been shown by Mr. Everett and Mr. Johnston, in attributing an additional value of 215,000,000 dollars to an equal amount, from the mere abstraction from other occupations of the labor of 26,250, out of a population of 2,153,370 slaves, and devoting it to the culture of sugar;—and this, too, in a period of 25 or 30 years, or from the first introduction of the sugarcane into Louisiana.

It is true, however, that the exchange of the sugar of Louisiana for the products and manufactures of the other States, like the exchange of cotton, rice, tobacco, naval stores and other Southern staples, advantageous alike to individuals and the nation, would be beneficial to the country,—were no tax required for its production. But it can hardly be pretended that it would be for the interest of the country to gain the power of making this exchange, by paying a double price for the article received in exchange.

But what is the value of this production, which is held up to the farmers, planters, merchants and mechanics of the Union, as creating such a demand for their productions? By their own showing, it is below 5,000,000 dollars, constituting, according to Mr. Everett's statement, less than one half of one *per cent.*, of the annual national production, and perhaps equal to $1\frac{1}{2}$ *per cent.* of the annual productions of the Slave States, all of which are consumers of the manufactures and productions of the Northern, Western and Middle States, in common with the 500 or 700 sugar planters of Louisiana and their 26,250 slaves.

But, with regard to the benefit to Northern manufacturers and farmers, from the exchange of this *comparatively* insignificant production, for the support of which they are taxed in a sum about equal to its whole value,—it would appear, from the statements of its advocates, that the principal article of such exchange is Southern slaves. The value of the whole crop is less than 5,000,000 dollars, and Mr. Everett states that 3,000,000 dollars are annually paid by the sugar-planters, to other States, for slaves.

We have said that the value of the sugar crop was *comparatively* insignificant. It is so, in comparison with the general business of the country. It is, nevertheless, important to those engaged in its cultivation; and precluded as we are by high duties from obtaining

much elsewhere, it is important to those of the other States whose productions are exchanged for it.

But the question recurs,—Is it politic or just to compel the nation to pay a tax equal to four-fifths of the whole value of this production, when all the benefits of this branch of business may be realized in another way, without any tax whatever? For instance, with regard to the exchange of sugar for the productions of the Northern and Middle States we are told by Mr. Niles and Mr. Carey, that, but for the existence of the present high duty, we could obtain all that is now raised at home, at a great saving of price, and in exchange for our flour, beef, pork and manufactures. The former gentleman suggests that a reduction of $1\frac{1}{2}$ cents per lb. of the duty, while it would increase the revenue, would enable the inhabitants of Cuba and other West India islands to consume nearly double the amount of our agricultural and manufactured productions which they now take.

This is a correct view of the subject; and, could the advocates of protection free themselves from prejudice and party feeling, they would perceive that the same principles are applicable to cottons, woollens, iron, and all other articles now excluded by high duties. Were these duties reduced, a larger amount of these articles would be imported, though by no means to the extent commonly imagined; but, as in the case of sugar, they would all be paid for by increased exportations of *domestic productions*, employing an equal quantity of labor, and at a saving to the nation of the whole tax now levied to exclude them. This would be so much annual accumulation of capital,* beyond the amount now created under a restrictive system.

As the belief that producing an article at home gives more employment to our population than procuring it from abroad, is one of the most popular errors connected with the existing system, we will endeavor to elucidate the subject still further.

The proposition of our opponents, with regard to sugar, is, that the national prosperity is more promoted by raising it at home, than by importing it from abroad, because, in the former case, more employment is given to domestic labor and capital.

It will indeed require more labor and capital to manufacture cloths costing a dollar per yard, than it would to produce the arti-

* "The immediate instrument for calling labor into action is capital."—"It is a settled axiom that the industry of a nation is in proportion to the capital devoted to its maintenance."—*New York Tariff Convention Address*.

If this Convention were sincere in laying down this principle, why do they persevere in upholding a system, which, by compelling the nation to consume articles at double the price they could be obtained for abroad, sinks the capital on which, as they truly say, labor must depend for its support?

In the case of sugar, as we have shown, if the duty of 3 cents is necessary to keep out the foreign article, there is an annual loss to the nation of several millions of dollars; and so in regard to all other productions, which require protecting taxes for their support.

cles, which might be exchanged for foreign cloths of the same quality at 50 cents per yard. This, however, is not, we presume, the meaning of our opponents. It would hardly be urged by them, as an argument for the prohibition of coffee, that the hot-houses and gardeners required to raise it in the Middle and Northern States, would require a hundred times more capital and a hundred times the number of hands, that are required to produce the articles now exchanged for it. To prove anything, their assertion must mean, that more labor and capital are employed, at the same profit, to raise a thing at home, than to import it at the same cost. If, however, the assertion be true where the cost is the same, it is so far from being true where the cost is greater to raise than to import an article, that we contend the whole difference of cost is just so much loss to the nation; and instead of giving permanent increased employment to labor and capital, materially diminishes the employment for labor, by the destruction of a part of the capital upon which that employment entirely depends.

The erroneous doctrines prevalent respecting the injurious consequences of the importation of foreign goods, arise chiefly from overlooking this leading principle; viz. if we buy we must pay for what we buy; if we import foreign goods, we must export domestic products, or something for which domestic products are exchanged, to pay for these foreign goods, since, as Franklin says, "we cannot get the produce of other countries, unless by fraud or rapine, without giving the produce of our land or our industry in exchange for them." It is, therefore, a necessary consequence of every importation of foreign goods, that we create a necessity for the export of a quantity of domestic productions to pay for them. These are plain truths and hardly worth repeating, but they are every day denied by men who have an interest in imposing upon the public.

Let us apply these principles to the subject under discussion. We require, we will suppose, 150,000,000 lbs. of sugar for our yearly consumption, which can be raised in Louisiana at 6 cents per lb., of an equal quality with that raised in the West Indies at 3 cents, making the cost in the former case \$9,000,000 *per annum*, and in the latter case \$4,500,000 *per annum*. If we obtain our supply from Louisiana, it is paid for by provisions, slaves and manufactures, to the amount of \$9,000,000, the results of American capital and labor. If, however, the cultivation were discontinued in Louisiana, we should obtain *double the quantity* from the West Indies for \$9,000,000 in provisions, lumber and manufactures, the results of American capital and labor. If, however, 150,000,000 lbs. were all the amount required for our consumption, we should obtain this for 4,500,000, and have the remaining 4,500,000 dollars, the produce of domestic labor and capital, to exchange for any other articles we might require. Such are the practical results of the

free trade and restrictive systems, and yet we are constantly told that the latter is the productive and the former the unproductive system.

So it is with salt, iron, cottons, woollens, and all other protected articles. If, in consequence of reduced duties, we should import more, our exports of other articles would increase to pay for them; and the annual saving to the nation would be, as in the case of sugar, equal to the amount of taxes now levied to keep down foreign competition. Every law, therefore, preventing the importation and consumption of foreign goods, diminishes, in precisely the same degree, the exportation and consumption of domestic goods.

Accordingly, if we look back upon our import and export trade, before the commencement of the restrictive system, and compare the results with the imports and exports of the present period, the destructive operation of the exclusive system on our export as well as import trade, will be at once apparent. From 1799 to 1801, inclusive, the average value of our imports, with a population of 5,500,000, was 93,895,142 dollars; whilst from 1828 to 1830, inclusive, the average value of our imports, with a population of 12,000,000, was but 77,959,757 dollars.

Let us now look to our exports, and we shall see, what is indeed obvious to every reflecting mind, how entirely our exports and imports depend on each other. From 1799 to 1807 inclusive, nine years, during four of which our commerce was interrupted by an embargo, our exports averaged 83,909,069 dollars. For the last nine years, including 1830, our exports have averaged but 77,867,374 dollars, and for the last three years the average is but 72,840,955 dollars. A similar diminution has taken place in our imports. In 1830, they had declined to 70,876,920 dollars. Yet, we are told by the New York Tariff Convention, that "the effect of the high duty system has been to make our navigation and commerce flourish beyond all expectation."

We have thus shown the operation of the high duty regulations upon our export trade, in reducing them, in twenty-five years, from nearly 84,000,000 dollars, to about 73,000,000 dollars. But this presents but a very inadequate idea of the withering effects of what is termed the "American System" upon our export commerce. During this period, our population has doubled, and our wealth has increased even beyond our population. The inference is irresistible, that had the same free trade system been continued, our exports would have swelled to 140,000,000, 150,000,000 or 160,000,000 dollars. Such are the different results of the free trade and the restrictive systems!

The restrictive system, then, does not give increased employment to domestic capital and industry, but, on the other hand, lessens the value of home productions, by forcing our citizens to abandon those

pursuits, which, from our soil, climate, and other circumstances would render the most profitable results, for those which render results less profitable. It compels them, by legislative acts, to raise sugar, which, if what is said of its cost be true, is unsuited to our soil and climate, instead of procuring it abroad in exchange for productions which *are* suited to our soil and climate; and thereby doubles the cost of a necessary of life, chiefly used by the poorer classes;—and this, without additional employment to the capital or labor of the country.

The whole theory of the restrictive system proceeds on the false maxim, that it is expedient for government to direct the pursuits of individuals. But, as one * says, who has reflected deeply upon this subject, “to individuals this policy is as injurious as it is to government. A system of artificial government protection leads the people to too much reliance on government; if left to their own choice of pursuits, they depend on their own skill and their own industry. But if government essentially affects their occupations by its system of bounties and preferences, it is natural, when in distress, that they should call on government for relief. Hence a perpetual contest carried on between the different interests of society. Agriculturalists taxed to-day to sustain manufacturers—commerce taxed to-morrow, to sustain agriculture, and then more impositions perhaps on both manufactures and commerce to sustain agriculture; and when government has exhausted its invention in these modes of legislation, *it finds the result less favorable than in the original and natural state of things.* He could hardly conceive of any thing worse than a policy which should place the great interests of this country in hostility to one another; a policy which should keep them in constant conflict and bring them every year to fight their battles in the committee rooms of the House of Representatives at Washington. We see that the most enlightened nations which have adopted this artificial system are tired of it. We see the most distinguished men in England, for instance, of all parties, condemning it.” Again—“We hear the first minister in Great Britain give his opinion emphatically that England has become what she is, not by means of this system, *but in spite of it.* Why, then, are we so eager to adopt a system which others who have tried it would be glad to repudiate? Can any thing, he would ask, in this general view of the subject, be more unwise than that this country should adopt such a course of policy? A policy which, he would say, no nation had entered upon and pursued without having found it to be *a policy which could not be followed without great national injury*, nor abandoned without extensive individual ruin. To leave men to their own discretion, to conduct their own concerns by their own

* Mr. Webster's speech in opposition to the Tariff of 1824.

skill and prudence, and to employ their capital and their labor in such occupations as they themselves find most expedient, has been found the wisest, as it is the simplest course of political legislation. As there is an order in the natural world which holds all things in place,—as the air we breathe is wisely combined and compounded for our use by the course of nature,—so there is a principle of regulation, a sort of *vis medicatrix naturæ* in the social world. Excess corrects itself. If there be too much commerce, it will be diminished. If there be too few manufactures, they will be increased, with but ordinary care and protection. For his part he believed that however divided, the principle of leaving such things very much to their own course in a country like ours, *was the only true policy*; and that we could no more improve the order, and habit, and composition of society, by an artificial balancing of trades and occupations, than we could improve the natural atmosphere by means of the condensers and rarifiers of the chemists.”

Again—“For his part, he did not consider a great manufacturing population a benefit to be purchased at so much cost. He thought there were great evils in it.* When it shall come naturally and in the progress of things, we must meet it. But why hasten it? What we see of it elsewhere did not recommend it to us. The great object of good government was individual happiness, and this to be general required something like an equality in condition. He was not advancing any agrarian notions; but he considered that those employments which tended to make the poor both more numerous and more poor, and the rich less in number but perhaps more rich, were not employments fit for us to encourage by *taxing other employments*. And this he believed would be the tendency of the manufacturing system, pushed to excess. At present it may probably be true, that the manufacturing capitals, being generally a cor-

* In justice to many of the manufacturing capitalists, in New England, whose pretensions and encroachments we are attempting to resist, it ought here to be mentioned, that generally, the most judicious and liberal arrangements are made, for the diffusion of instruction among the people in their employ. And there cannot be a doubt that the business of manufacturing, in the hands of such men, will flourish to a greater extent than in any country, except Great Britain, without the aid of any further duties than such as would be satisfactory to the national party. We know that some particular branches of manufacturing, depending on more experience and skill than we now possess, would be diminished. But this would only be for a short period—as the time cannot be distant when the business of manufacturing will be so well understood, and conducted with so much skill and economy in the populous parts of the United States, that no protection will be required; and it is the tendency of a free trade system to accelerate this perfection of the manufacturing arts.

There are, under the existing system, many branches of manufacturing that are diminished or ruined by high duties on the raw materials. A reduction of duties would be beneficial to them; and, in truth, we know it to be the opinion of some of the most enlightened manufacturers, that under a Tariff of moderate duties, there would be more manufacturing capital and labor put in motion than can be employed under the existing system.

porate property, were holden in many hands. But if the capital now employed in commerce were also to be put into manufactures, it would, in the end, he should think, get the ascendancy, because it would be individual capital, and, according to our experience, would be therefore better managed. Manufacturing capital comes in the end to be owned but by few. *It does not therefore encourage industry like capital employed in some other pursuits."*

These are sound doctrines, and were so considered when promulgated from that quarter whence the existing system now derives its most efficient support. But, it is said, many who formerly acquiesced in these doctrines, have since changed their opinions. We do not deny that such may be the fact. But may not the solution of their present course be found in the change of their political and pecuniary relations to this question, rather than in the change of their opinions? The doctrines themselves, deserted and assailed as they are, by those who once sustained them, are unaltered and unalterable, for they are founded on the eternal principles of truth and justice.

5. Another argument in favor of the sugar duty, has been advanced by the planters, and sustained with much zeal by the Legislature of Louisiana; viz. that the lands on which the cane grows cannot be turned to such profitable account, should its cultivation be abandoned. This, to be sure, is quite a sufficient reason that the owners of the cane lands should wish a continuance of the bounty; but we doubt if it will satisfy any impartial mind, either that it is politic or just.

Throughout the whole of our remarks, we have considered duties for the protection of home productions against cheaper foreign ones, as virtually a bounty to the home producers. We are aware that this has been denied; but we should be glad to learn the difference between a law which compels the nation to pay 2,000,000 dollars, in the form of impost to the planters of Louisiana for their sugar, more than it could be procured for elsewhere, and a law which should grant to those same planters an annual sum of 2,000,000 dollars from the public chest, under the name of a bounty.

This is the view taken in the late Tariff Convention in New York, where propositions were made and supported by several members for a system of bounties to promote the introduction and extension of various branches of industry. Hamilton expresses himself decidedly upon this point. He says, "Protecting duties evidently amount to a *virtual bounty* on the domestic fabrics, since, by enhancing the charges on foreign articles, they enable the national manufacturers to undersell all their foreign competitors." Mr. Webster, in his speech in 1820, in opposition to a further increase of duties, says, in reference to a certain kind of cotton goods, "the duty is near 83 per cent. on the cost of the article: *this is so much bounty to the home manufacturers.*" Another eminent man, whose opinions will be respected by our opponents, Mr. H. G. Otis, in opposing an in-

crease of duties, whilst a member of Congress, in 1820, says,—
 “The Bill before Congress was a manifesto of the disposition of a committee of one branch of the Legislature to listen to the claims of the manufacturers for a bounty of five millions of dollars in the outset.” We might add other high authorities that protecting duties and bounties are virtually the same.

It is undoubtedly beneficial to Louisiana, as well as to the sugar planters, that all her soil should be brought into cultivation; and it would be equally so with other states having lands which are, at this moment, uncultivated, for want of a protecting duty or a bounty. Let us imagine that some of the planters of North Carolina, residing in the least fertile parts of that state, where as much capital and labor are required to raise 20 bushels of grain as would produce 40 in a richer soil, should apply to Congress for a bounty of 50 cents per bushel on their corn, to enable them to compete in the home market of that state with the cheaper corn of the neighboring states; and thus to sustain the value of lands, which, without such protection, would be abandoned. It cannot be supposed that such an application would be sustained, even by the representatives of Louisiana. Yet the corn-planters of North Carolina would have the same right to a bounty on corn that the planters of Louisiana have to a bounty on sugar. What are the reasons alleged in favor of the bounty on sugar?—That it employs domestic labor and capital; reduces the price of a necessary of life by increased competition; extends the demand for slaves, and thus sustains the value of that species of property; and finally, keeps lands under cultivation, which, without that bounty, would be abandoned.

Now these reasons, as far as they apply to the bounty on sugar, would apply precisely to a bounty on the corn of North Carolina; she has the same right to a bounty on her corn, that Louisiana has to a bounty on her sugar. Admit the principle, that a particular class of men or a particular state has a right to government aid, for the prosecution of a business, which could not be prosecuted without it, and there is no limit to the rightful claims of individuals and states. If Congress were right in acceding to the first demands, they would be wrong in refusing others of a similar nature.

“There is, however,” as has been stated in the Address to the People by the Free Trade Convention, “a large and respectable portion of the American people who not only consider the system of granting bounties to one class of men at the expense of all the rest, as impolitic and unjust, but as unconstitutional.” They admit the power of Congress to lay and collect such duties, as they may deem necessary for the purposes of revenue, and within these limits, so to arrange these duties as incidentally, and to that extent, to give protection to the manufacturer. They deny the right to convert what they denominate the incidental, into the principal power, and tran-

ascending the limits of revenue, to impose an additional duty, substantively and exclusively for the purpose of affording that protection. They admit that Congress may countervail the regulations of a foreign power, which may be hostile to our commerce; but they deny their authority permanently to inhibit all importation, for the purpose of securing the home market exclusively to the domestic manufacture,—thereby destroying the commerce they were entrusted to regulate, and fostering an interest with which they have no constitutional power to interfere. That portion of our fellow-citizens, of whom we speak, do not, therefore, hesitate to affirm, that, if the right to enact the Tariff law of 1828 be referred to the authority to lay and collect duties, &c., it is a palpable abuse of the taxing power, which was conferred for the purpose of revenue;—if to the authority to regulate commerce, it is as obvious a perversion of that power, since it may be extended to an utter annihilation of the object which it was intended to protect.”

In support of these just and common sense and constitutional views of an instrument, which was intended to be, and which in fact is, as fully open to the comprehension of thousands, and we hope of millions, as to that of the most learned jurists in the land, we could cite the opinions of men, both living and dead, whose clearness of apprehension, purity and patriotism, no one can doubt. But such are the prejudices and passions enlisted in this cause, that it would be in vain to refer to the authority of men, however gifted, who have been opposed to the protecting system, or even of those who have stood in the most impartial and disinterested relation to it. We refer then, to the opinions of one who cannot be suspected of want of discernment in construing the meaning of our constitution, since he has been so often cited as an authority in defence of monopolies and restrictions, and who has shown no deficiency of zeal in sustaining the existing system; since he has gone further upon the economical question, than its most intelligent advocates could desire. We mean Mr. Madison, for whose *modern* opinions we refer the reader to his letters to Mr. Cabell.

In the debate on the fishery bill, in 1792, Mr. Madison observed, in the course of some remarks upon the regulation of trade, “Several arguments have been advanced to show that because in the regulation of trade, indirect and eventual encouragement is given to manufactures, *therefore Congress have power to give money in direct bounties, or grant it in any other way that would answer the same purpose.* But surely, sir, there is a great and obvious difference, which it cannot be necessary to enlarge upon; a duty upon imported implements of husbandry would, in its operation, be an indirect tax on exported produce; but will any one say that by virtue of a mere power to lay duties on imports, Congress might go directly to the produce or implements of agriculture, or to the arti-

cles exported? It is true duties on exports are expressly prohibited; but if there were no article prohibiting them, a power directly to tax exports could never be deduced from a power to tax imports, although such a power might directly or incidentally affect exports."

"A power directly to tax exports," says Mr. Madison, "could never be deduced from a power to tax imports;"—nor, as we contend, can a power to destroy trade and to cut off the sources of revenue, be deduced from a power to raise revenue and to regulate trade. In other words, a power granted to enact laws for the accomplishment of certain specified ends, cannot be construed into a right to enact laws for the subversion of those very ends.

The principles here asserted by Mr. Madison are in conformity with those maintained in the Address of the Philadelphia Convention. It is there admitted that Congress have the right to give such an encouragement to manufactures, or any other interests, as may be incidentally derived from laws passed for the *bonâ fide* purpose of regulating trade and raising revenue. But it is denied, "that Congress have the power to give money in direct bounties, or to grant it in any other way that would answer the same purpose;" and in this they agree with Mr. Madison.

The advocates of restriction and monopoly have generally argued the question, as if their opponents denied the right of Congress to pass laws for the regulation of trade and the collection of revenue. Such, however, is not the fact. The national party admit, most fully, that Congress have the right to pass laws having clearly and *bonâ fide* these objects in view; but they deny the right of Congress to enact laws *nominally* for the purpose of regulating trade and raising revenue, *but in truth* for the purposes of annihilating both trade and revenue; and which cannot accomplish the ends for which they were enacted, without producing these effects.

We now offer another authority, that of one who certainly has not been unfriendly to the advocates of exclusion. We mean Mr. Webster. Among the resolutions passed in 1820, at a meeting of manufacturers, merchants, &c., opposed to any further increase to the then existing duties, which resolves were advocated by Mr. W., we find the following. "Resolved; That no objection ought ever to be made to any amount of taxes equally apportioned and imposed *for the purpose of raising revenue, necessary for the support of government*; but that taxes imposed on the people for the sole benefit of any one class of men, *are equally* INCONSISTENT WITH THE PRINCIPLES OF OUR CONSTITUTION, and with sound policy."

In a speech in support of this and other resolutions, Mr. Webster observed,—"It would hardly be contended that Congress possessed that sort of general power by which it might declare that particular occupations should be pursued in society, and that others should not. If such power belonged to any government in this

country, *it certainly did not belong to the General Government.* The question was, therefore, and he thought it a very serious question, whether in laying duties, under the authority to lay imposts, obviously given for the purposes of revenue, Congress can reasonably and fairly lose sight of these purposes entirely, and levy duties for other objects. Congress may tax the land; but it would be a strange proposition if Congress should be asked to lay a land tax for the direct purpose of withdrawing capital from agriculture, and sending those engaged in it to other pursuits. *The power, however, exists in one case, as much as in the other.* It is not easy, it must be confessed, to draw a limit in such cases, and therefore perhaps it may be presumed, in all cases, that the power was exercised for the legal purpose, the collection of revenue, and that whatever consequences ensue must be regarded as incidental and consequential to the exercise of the power. Still it was a question very fit, in his judgment, to be considered by Congress, whether it was a fair and just exercise of power to elevate the incidental far above the primary object, or, to speak more properly, to pursue the latter, in utter disregard of the former."

Take this passage in connexion with the resolution, denouncing taxes imposed on the people for the sole benefit of any one class as *inconsistent with the principles of our constitution*, and there can be no doubt, as we apprehend, of the entire coincidence of Mr. Webster's opinions with those maintained in the Address. If, as he says, there is such a power as now contended for, *it certainly does not belong to the General Government.* But, as Mr. Webster truly remarks, it is not easy, in some cases, to draw the line between duties levied for revenue and those imposed for other objects; that is to say, for the purpose of excluding the cheaper foreign commodities, that the nation may be compelled to purchase the dearer domestic commodities. If however, an act imposing duties should contain provisions avowedly prohibitory, and defended as such by the party through whose means it was obtained, then all doubt ceases.

The act of 1828 was *intended* to be prohibitory * on many of the

* That it was the intention of most of the advocates of the American system to make the act of 1828 entirely prohibitory as to many leading articles of consumption, is very apparent from the tenor of their speeches in Congress, and from some of the rates established by that act, which range on woollens and iron from 40 to 250 per cent. The delegation of Massachusetts, the most influential members of which were concerned in manufactures, and were known to be favorable to a further increase of duties on the New England staple manufactures, voted in favour of an amendment to the act of 1828, which would have carried the rates of duty on woollens beyond what they now are; and they finally voted against that act, leaving it to be inferred, that they did so, not because the duties it imposed were too high, but because they were too low. Their object was a total prohibition of cottons and woollens, and a *free trade* in molasses and wool, articles of great consumption in Massachusetts. Their theory was, that taxation reduced the prices of all articles manufactured by themselves and their constituents; but when this theory was applied to such articles as were

leading articles of consumption. We have shown, by the small proportion of woollens and other articles which are now imported, in comparison with the amount produced at home, that it has nearly

raised in other sections, such as hemp, wool and molasses, they condemned the application of it as not leading to correct results; and ascribed the raising of the duties on these articles, to Western hostility and Southern malevolence.

The following extract from the debates of the New York Tariff Convention, expresses the opinion of one of the best informed and most influential manufacturers in New England, in regard to immediately carrying out the system to an entire prohibition.

"Mr. Cox said, the gentleman had shown the abuses, but not the remedy. Two might be proposed: one would be, to allow the government to take the goods, if the owner was dissatisfied with the valuation: the other, to value the goods at the port where they were entered.

"Mr. Brown observed, 'that the Committee had had that subject under their consideration. It has been suggested that an *ad valorem* duty would remedy many of the existing evils; but it was not the policy of this Convention, by suggesting remedies, to set the whole subject again afloat. If that plan were adopted, it must be evident that the present rate of duties would be too high—they would amount to prohibition. For himself, he believed the country would be a gainer by even that; but he did not suppose such could at present be the opinion of a majority of the people. *Many articles were now totally prohibited*—especially chemicals, some of which, with a duty of four cents a pound, were in market at that price. 10,000 tons of crude brimstone, and 2000 of salt-petre, were imported last year for the purpose of manufacturing acids, used in the bleaching of cotton and the staining of calico—incidental branches of trade which had grown up out of the system of home industry, and which enjoyed a protection amounting to total prohibition. The Convention, however, would not take the ground of advocating any alterations or improvements of the law: let it only be enforced and it was sufficient."

It is here admitted by one of the leading advocates of the System, that "many articles are now totally prohibited," and that in his opinion the prohibitory enactments should be extended; though he did not suppose that, *at present*, the majority of the people were of a similar opinion.

This, we apprehend, is the opinion of many of the restrictive party. But why should they wait for the people, when the whole legislative measures of the government on this question, are accommodated to the views of the vested interests? Why not carry out the principles of the "American System," to utter prohibition, at which it must at last arrive? This is a scheme that would find support in the highest quarter, if any judgment may be formed of the opinions of the administration from Mr. Secretary McLean's Report, who, admitting the necessity of acting in a spirit of conciliation and concession in re-adjusting the system of duties, as it regards the different sections and the nation at large, who are suffering from its operation, concludes with recommending an adherence to those features in the act of 1828, which stand most in need of modification. He would continue the duties on wool and woollens, cottons, sugar, iron, and hemp, which run from 25 to 200 *per cent*; and this would of course render it necessary to repeal the duties on wines, silks, spices, &c. that there may not be an excess of revenue. In other words, the Secretary would burden the necessities and comforts of life with a heavy taxation, while superfluities and luxuries are to go free,—thus sustaining one of the fundamental principles of the "American System" (of which Mr. McLean has been a zealous advocate); namely, taxing the many for the benefit of the few—the poor and powerless for the benefit of the rich and powerful.

It is said, in the New York Tariff Convention Address, that "*sugar and iron, hemp and lead, wool and cotton* and other productions of our soil, are in effect the government that holds us together." The Secretary sustains this view of the matter. But we apprehend that what Mr. McLean calls "adjusting the question on *practical*, rather than on abstract principles of political economy,"

effected its object. Still it is a constant subject of complaint that the foreign articles are not entirely excluded. Indeed it is obvious that such must be the point to which the prohibitory system will be carried. If the manufacturers of nine-tenths of the articles of domestic production are protected by legislation, on what ground can a like protection be refused to the manufacturers of the remaining tenth?

Not only so, but if the existing system is not changed to our former free trade system, it must be extended to all such articles as can be manufactured or produced at home; so that, eventually, our importations must be limited to those few articles which cannot, with any degree of protection, be manufactured or produced here. The objection that our soil and climate, are not adapted to the production of an article, cannot be consistently urged against granting it protection. There are but few articles in regard to which these disadvantages would not be more than counterbalanced by duties of 100 *per cent.*; and we now grant a greater protection than this to sugar, low woollens, low priced wool, English raw iron, iron wire, and various other articles. The object of the "American System" is not to obtain articles at a cheap rate, but to produce them at home, so

will hardly suit even the high Tariff party, since among the enumerated articles requiring protection, he has omitted spirits, salt, glass and glass ware, flax, kens, paper, oil, molasses, hard ware, iron wares of all sorts, slate, coal, candles, earthen wares, hats, shoes, boots, saddlery, and in truth an infinite variety of other articles, not manufactured by men of wealth, whose power and influence are brought to bear upon the most interesting political questions of the day, but by a useful and industrious class of men, who have the same right to protection that iron masters, sugar planters, and cotton and woollen manufacturers possess. If the system of high and prohibitory duties is a wise and an honest system, let it be general and not exclusively confined to particular classes or to particular sections.

But it may be that the Secretary means to provide for this class of manufacturers by bounties, "a system which (he says) sound policy would recommend."

There is no doubt that in the adjustment of this important and dangerous question, there must be a liberal spirit of conciliation, concession, and compromise; but who is there, that can discern in Mr. McLean's Report, any thing but an unlimited submission to the most extravagant demands that have yet been made upon the national party?

In justice to our opponents, we must say, we never have conversed with an intelligent and liberal minded man, who did not condemn the suggestions of Mr. McLean, as the basis of an adjustment of this question, as unjust and impracticable.

There can be no doubt that of all foreign articles now imported, such as wines, cottons, woollens, iron, oil, silk, sugar, salt, spirits, molasses, &c. amounting to 60 or 70,000,000 dollars; 40 to 50,000,000 dollars could be produced at home, under rates of duty less than those now granted on woollens. Consequently, if it be granted that Congress has rightfully the power of laying protecting duties, application will be made for extended protection, and at no distant period our foreign trade will be nearly annihilated. Such is now the case between France and England, whose exchanges are less in amount than those of this country and Cuba. We should perhaps have a trade left in spices, teas, and a few other articles, which cannot be produced in our latitudes; but four-fifths of all we are at present allowed to import, would be excluded.

the exclusion of foreign articles—to be independent of foreign nations. The employment of domestic industry and capital is the theme constantly harped upon. That an article can be obtained from abroad, at half the price we pay for it at home, is not of the least weight. Indeed, on this principle, the more an article costs at home, the greater the benefit to the country in producing it, since the greater is the employment thereby given to domestic capital and industry.

This is the tendency, and this will be the effect of the protecting system, if not arrested in its progress. On the leading articles of consumption, such as wool and woollens, cottons, iron, glass, sugar, spirits, &c., the duties now range from $27\frac{1}{2}$ to 250 *per cent.*; but these rates are not high enough entirely to exclude the foreign articles, and are constantly complained of as insufficient to carry into full effect the “American System.”

That entire prohibition is the real object of the present Tariff party, may be gathered from the declarations of those most relied on to expound its principles, and to defend it from the assaults of its opponents. Mr. Clay, in an elaborate speech in the Apollonian Gardens at Cincinnati, Aug. 1830, complained of the encroachments of the enemies of the “American System” upon its principles, in the reduction of the duty on salt and molasses, and the restoration of the drawback on distilled spirits. He considered these changes as depriving the West of some portion of its share of the bounties accruing from the Tariff acts, and at the same time, as tending to subvert the whole protecting policy. He says, “The stratagem which has been adopted by the foes of the system to destroy it, requires the exercise of constant vigilance and firmness to prevent the accomplishment of the object. They have resolved to divide and conquer. The friends of the system should assume the revolutionary motto of our ancestors, ‘United we stand, divided we fall.’ They should allow no alteration in any part of the system as it now exists, *which did not aim at rendering more efficacious the system of protection on which the whole is founded.*”—“The American system of protection should be regarded, as it is, an entire and comprehensive system, made up of various items, aiming at the prosperity of the whole Union, by protecting the interest of each.”

This is an explicit and open declaration of the principal objects and effect of the “American System,” characteristic of the frank and manly temper of the distinguished citizen who made it. If the existing duties are not reduced, by a return to a free trade and revenue system, then they must necessarily be extended to all articles which can be produced in this country, even should they, as in the case of sugar, iron and woollens, cost the consumers 50 to 150 *per cent.* more than similar articles can be had for elsewhere. Protection cannot be refused but in gross violation of precedent and

of their own principles. Besides, it will be both politic and just ; for, if it be wise to pay a double price for half of the articles of consumption, it certainly would be wiser to extend the system to the whole of them. In other words, if Congress should still continue to legislate on the principle that dear goods are better than cheap ones, that scarcity is better than abundance, and poverty better than wealth, the carrying of the system to entire prohibition would best effect their object.* But it is sometimes denied, at least by unreflecting men, who are little aware of the real objects of the party we are resisting, that *protection means prohibition*. To remove this objection, and to satisfy the most credulous believers in the moderation and disinterestedness of the restrictionists, we will again resort to the explanations of men, who should, and who do understand what those who have the greatest pecuniary and political interest in the question mean by the term protection.

The Pennsylvania Woollen Convention, in an address drawn up by Mr. C. I. Ingersoll, state the object of the "American System" to be, "to countervail foreign manufactures in favor of *all* such as can be advantageously made at home ; *we except none*." What is meant by the term advantageously, is plainly understood by the subsequent recommendation by the authors and supporters of the address, of rates of duty on cottons, woollens, &c., amounting to $27\frac{1}{2}$ a 250 *per cent*.

Mr. E. Everett says, "The tariff of 1824 was framed to enable each article as manufactured at home to sustain a competition with the same article imported ;"—and Mr. Lawrence, a highly respectable and intelligent manufacturer, whose opinions bear as much weight as those of any individual of the party, says, "We want protection ; it matters not whether it is 50 or 150 *per cent*. so long as it is protection." In accordance with these views, the act of 1828 was passed, granting 25 to 250 *per cent*. But even this is deemed insufficient and there has been a constant clamor *for more protection, on some of the articles now subjected to the highest duties*, by striking out the low minimums, on woollens for instance, and thus doubling the existing high rates.

Again, we are told by Mr. Senator Robbins, of Rhode Island, at a meeting in October, for the choice of delegates to the New York Tariff Convention, that "the whole industry of the country is to be protected, wherever or however it is employed, *against foreign competition*." Mr. Pearce, a representative in Congress from Rhode Island, at a public dinner in 1827, said,—“The time will soon arrive when all the citizens of this country will be convinced that they can

* The millennium of the "American System" would then be realized, and we might contentedly sit down under our own vines and our own fig trees, without hankering after the unattainable wines and figs of foreign countries, and with the additional satisfaction that an abundance of *domestic capital and labor* had been expended in their production.

manufacture their articles for themselves, and our government will see *the necessity of making protection, prohibition.*" There is no quarter of the country, where the term protection is better understood than in Rhode Island.

In an address before the board of agriculture in New York, Mr. George Tibbets, a member of the Harrisburg and of the New York Convention, says, "I should consider it a great misfortune if England should withdraw this *monitory* advice, and again admit our bread-stuff, provisions and raw materials. It would have a tendency to prevent us, for a long time, from rising to that solid and permanent elevation to which, by her policy, we are now fast approaching, and to which we may very soon attain by proper management. We want, in addition to the obstructions which England throws in the way of our importations, *such further obstructions raised by our government, as shall create the fullest confidence in manufacturing undertakings in this country.*" These are the opinions of one of the most respectable, wealthy and influential leaders of the restrictive party; and doubtless represent the views of the capitalists who are, in truth, the most efficient supporters of the "American System."

Again—in the New York Tariff Convention, Mr. J. B. Brown, one of the most zealous supporters of the system, said, that he thought "the country would be a gainer by prohibition."

The point we are discussing is of great importance. A large portion of those who acquiesce in the system, if they do not support it, do not seem to be aware of the real design of its authors and influential supporters. That object is to exclude, by prohibitory duties, every thing that can be made or produced at home, which in truth comprises nearly every thing we consume. We will, therefore, produce still further evidence, and from the highest sources, of what is intended by the term protection. Mr. Clay, in describing the origin and progress of the system, says,—"*It was properly called the American System. The means of introducing, perfecting and securing it, were to tax the articles of foreign production which rival and compete with our own.*"

Mr. Webster, in his speech in apology for the Tariff of 1828 says,—"*The meaning of our law was doubtless to give the American manufacturer an advantage over his English competitors. Protection must mean this, or it means nothing. The English manufacturer having certain advantages on his side, such as the lower price of labor, and the lower interest of money, the object of our law was, to counteract these advantages by creating others in behalf of the American manufacturer.*"

The meaning attached to the term protection, by those for whose pecuniary and political purposes the protecting system is maintained, we think can now admit of no dispute. The right of protection

means the right of a majority in Congress to impose such duties as will enable the producer of any article, which can be produced in this country, to undersell the cheaper foreign article. This being the case, a duty, to be effective, must be prohibitory. If it fall short of this, the foreign article will drive the domestic produce from the market. It matters not how high the duty may be, whether, as Mr. Lawrence says, 50 or 150 *per cent.*;—it must rise to the point of prohibition to be protective. That such is the practical application of the term, is evident from the act of 1828, which imposed duties actually prohibitory on many of the necessities of life.

Protection, then, means prohibition; and if Congress pass a protecting law, it does in fact assume the right of prohibiting the importation of such articles as are intended to be protected;—and it of necessity follows, that, if they have the right of prohibiting some articles for the purpose of raising the price of domestic articles of the same kind, they have the right of prohibiting all articles which can possibly be made at home. The question before us, then, is, whether laws prohibiting the principal branches of our foreign trade, and of necessity followed by an equal diminution of our exports, can be in accordance with the letter or spirit of the Constitution?

Is not a prohibition to trade a violation of one of the fundamental principles of society—the right of acquiring property? Can any legislative body deprive the citizens of a free country of one of those natural and unalienable rights, which are above all Kings, Congresses, and Constitutions? This is the great question now in dispute; and let every man who loves his country, ponder well on the importance of answering it honestly; for, on its issue, hang the future harmony, peace, welfare and integrity of the Union.

AN INQUIRY
INTO THE CAUSES OF THE
FALL OF PRICES.

WE have endeavored, in the foregoing discussion, to show by facts which are within the reach of every one, the oppressiveness of the existing system with regard to one of its effects; namely, *pecuniary taxation*. In doing this, we have confined ourselves to a few of the leading articles of consumption. It would occupy too much time and space to analyze the whole list of dutied articles, and estimate the burthen which each tax imposes upon the nation. Having done this with regard to some of the most prominent, such as woollens and cottons, sugar and iron, the reader can apply the same rules to other high dutied articles of import, such as linens of various sorts, salt, molasses, crockery ware, glass ware, window glass, hard ware, tin plates, slate, coal, wool, cordage, indigo, paper, books and stationery, spirits, oil, wines, fruits, and many others, comprising most of the necessaries, comforts, and conveniences of life.

From the indirect mode in which these duties operate on consumers, a vast majority are insensible to the large sums which are monthly, daily and hourly taken from them in the increased prices which they pay for their clothing, food, furniture, and working utensils of every sort. Nothing, however, can be more certain than that the consumers of the articles enumerated, and of many others, not enumerated, pay just so much additional price for them, as the amount of duties actually levied upon them at the Custom House.

And here we will notice a distinction between duties for revenue and those for protection. When goods are actually imported, the amount of duties paid on them goes into the public chest, and is expended for the public benefit. No complaint can be made of such duties, so long as the revenue is wanted, and the duties are not so

high as to diminish the amount of revenue which might be collected. *This is a revenue duty.* But duties may be so high as to prevent importation altogether, and to compel the consumers to use the domestic article, which, though cheaper than the foreign one with the addition of the prohibitory duty, is much dearer than the foreign one would be with a lower duty. This puts nothing into the public chest, is paid for the sole benefit of the home producers of the prohibited articles, and is therefore not a tax for revenue, but a *tax for protection*.

We hope the reader will keep the distinction between duties for revenue and duties for protection constantly in view; and the more so, because our opponents continually argue the question, as if we objected to laws designed for the purpose of raising revenue;—and it is upon this ground, and that of the right of regulating trade, (which we are charged also with denying, but which we never have denied) that the argument upon the constitutionality of the Tariff, in the Address of the New York Convention, is mainly founded.

The national party do not deny the right of Congress to pass laws to raise revenue and to regulate trade; but they do deny, that laws passed with the sole and avowed object of annihilating both trade and revenue, can find a justification in clauses of the constitution giving to Congress the right of regulating trade and raising revenue. That is to say, they deny that certain specific powers, granted solely for the attainment of specified ends; viz. to raise revenue and to regulate trade, can fairly be construed into a right to exercise those powers with the avowed object of subverting the very purposes, for the attainment of which those powers were granted.

According to the defence in the New York Address (which is but a repetition of what Mr. Madison had before said,) the question turns upon the construction of the phrases, “to regulate trade,” and “to raise revenue;” and we are told, in the same Address, that “the meaning of these words, is to be ascertained by reference to the common use and import of language.”

What, then, is the meaning of the phrase, “to regulate commerce?” To regulate is a word of such clear and familiar import, that the question seems almost impertinent. But when some of the greatest men in the country have undertaken to justify oppressive, and, as many think, unconstitutional laws, by a gross perversion of language from its common and true import, it becomes important to offer such an explanation of this term, as may be intelligible to the dullest mind. And here again, from deference to our opponents, we shall select an authority which will have with them more weight than all the critics and grammarians in the universe. “To regulate commerce,” says Mr. Webster, in his argument against the constitutionality of the embargo act, “to regulate commerce is an expression not difficult to be understood. *To regulate* is to direct, to

adjust, to improve. The laws respecting duties, drawbacks, ports of entry, the registry, the sale and survey of vessels, are all so many laws regulating commerce. To regulate, one would think, could never mean to destroy. When we send our watches to be regulated, our intention is not that their motion be altogether stopped, but that it be corrected; we do not request the watchmaker to prevent them from going at all, but to cause them to go better. If one were authorized to regulate the affairs of government, he would not think of arresting its course altogether—of abolishing all office—abrogating all law—this would be destroying; but he might perhaps alter and correct, and this would be regulating.”

It would appear then, that in 1807, according to the views of one of the clearest and strongest minds in the nation, “to regulate is to direct, to adjust, to improve,” and “could never mean to destroy;” and we are not aware of any such changes in our language, whatever there may have been in the opinions and actions of some of its ingenious expounders, as to vary the meaning which was then attached to that expression.

So it is with the phrase, “to raise revenue;” whatever laws are enacted under the powers conferred by these clauses in the constitution must, in order to find a justification in these clauses, be passed with a *bona fide* intention of—what? *destroying* the sources of trade and revenue? No;—but of extending trade and increasing revenue. These, and these only, are the legitimate purposes for which these powers were granted; and it is beyond the power of argument or sophistry to bring any impartial and rational mind to any other conclusion.

To return to the subject, from which we have wandered. We maintain, that every duty imposed on a foreign article, *so far as that duty is levied with the intention of keeping that article out of the market*, is a tax upon the consumer, by compelling him to pay so much additional price for the domestic article, thus forced upon him by legislative enactments; which additional price is just so much loss to the nation. For instance, if domestic sugar costs 6 cents, and foreign sugar could be imported at 3 cents, provided the present duty of 3 cents were repealed; then, so long as that duty is continued, on each purchase of sugar to the amount of 100 dollars, half of that sum is a tax on the consumer, which would be saved but for the existence of the duty. Were it otherwise, the sugar duty would be of no benefit to the planters of Louisiana, and they would no longer resist its reduction or repeal. So, also, with regard to salt, cottons, woollens, iron, molasses, glass, wool, indigo, oil, books, spirits, wines, &c.; those duties on them which are low enough to admit certain portions, are taxes for revenue; and those which are so high as to exclude certain other portions, operate also as taxes, up to the point of exclusion of the foreign articles. Both are taxes upon the nation as

consumers. This is a doctrine which is so obviously true, that it seems incredible that any rational mind should deny it; but as it is denied by essayists, orators and legislators on the side of our opponents, we will cite an authority in its favor, meriting, and no doubt possessing, the highest confidence.

The following is an extract from the North American Review, often before quoted, and attributed to the then editor of that work, Mr. E. Everett:—"Prohibiting the introduction of foreign manufactures, or imposing taxes upon them, can benefit the manufacturers, only so far as it tends to increase the price in our own market of the articles whose importation is thus restrained, and is, therefore, as this difference of price is paid by the consumer, a TAX ON THE COMMUNITY, the effect of which is to encourage the production of these articles at home; whereas, it does not need encouragement, if it is the most lucrative employment,—and ought not to have it, if it is not." *

* The following extract from a speech of Mr. H. G. Otis, in 1820, when opposing any addition to the comparatively moderate duties, then imposed on wools, iron, &c., supports the view taken by Mr. Everett of the effect of prohibitory duties. The bill was a manifesto of the disposition of a committee, to listen to the claim of the manufactures for a bounty of five millions of dollars, in the outset. Let other classes of the community, the farmer, the merchant, the mechanic, be heard on the question, before the irrevocable sanction is given to the system." With regard to the farmers, merchants and mechanics, whose interest Mr. Otis then advocated against the system of taxes, levied upon them for the benefit of the manufacturers, not the manufacturers generally; but the wealthy ones, whose capitals would enable them to participate in the governmental bounties, it would have been fortunate for the country had the rights and interests of the farmers, merchants and mechanics been regarded; but these classes have had no more influence in Congress since 1820, than the same classes formerly enjoyed in England and France, when the legislation of those countries was wholly controlled by a few thousand men of wealth and rank, who consulted no other interests but their own, in administering the affairs of those nations. To these two authorities, as to the effect of prohibitory duties, we add that of Mr. Webster, who says, in speaking against a bill for an increase of duty on iron, &c.,—"The present duty on the imported article, is 15 dollars per ton, and as this duty causes of course an equivalent augmentation of the price of the home manufacture, the whole increase of price is equal to 750,000 dollars annually: This sum we pay on a raw material, and on an absolute necessary of life. The Bill proposes to raise the duty from 15 to 22½ dollars per ton, which would be equal to 1,125,000 dollars, on the whole annual consumption. So that, suppose the point of prohibition which is aimed at by some gentlemen to be attained; the consumers of the article would pay this last mentioned sum every year to the producers of it, over and above the price at which they could supply themselves with the same article from other sources. There would be no mitigation of this burthen, except from the prospect, whatever that might be, that iron would fall in value by domestic competition, after the importation should be prohibited. It will be easy, I think, to show that it cannot fall; and supposing for the present that it shall not, the result will be, that we shall pay annually a sum of 1,125,000 dollars, constantly augmented, too, by increased consumption of the article, to support a business that will not support itself. It is of no consequence to the argument, that this sum is expended at home; so it would be if we taxed the people to support any other useless and expensive establishment, to build another capital for example, or incur an unnecessary expense of any sort."—These are sound principles. They may be denied, renounced, and even assailed, by those who

But we are told, in spite of the demonstrative evidence afforded by the Custom House reports, and the other facts which we have stated, that the notion that taxation on an article increases the price of it, is "a mere *theory* of free trade, *sound in itself*, but leading to *incorrect results*;" facts (they say) are against us; duties have been, from time to time, increased, and the prices have been continually falling in consequence of such augmentation of duty.

To affirm that taxing an article lessens the cost of it, is, to say the least, a puzzling paradox to those who understand terms in their common acceptance; those however who are familiar with the writings of the most prominent advocates of the "American System," have met with others not less puzzling in the new definitions affixed by those writers to various terms in common use;—to regulate trade, according to them, is to destroy trade; to raise revenue, is to extinguish the sources of revenue; national independence is promoted by diminishing national wealth; patriotism, by alienating one portion of the Union from the other; labor is augmented, by sinking the capital upon which its employment depends; domestic industry, by taxing the industrious classes for the benefit of the wealthy; and finally, the theory of free trade is a *correct* theory, but leads to *incorrect* results. These, we suppose, will be admitted as some of the fundamental doctrines of the "American System."

The assertion, that the high duties imposed in 1816, partly to afford a temporary protection to manufactures, which had grown up under wars and commercial restrictions, but principally for the purpose of paying the heavy debt which then existed;—which duties have since been doubled, and in some instances quadrupled, because of their insufficiency to keep down the competition of foreign goods;—the assertion, we say, that the imposition of these duties has been the cause of a decline in the prices of those domestic productions which have required this protection against similar foreign productions, implies great ignorance or unfairness on the part of those who make it. We will endeavor to adduce satisfactory evidence to disprove that assertion.

Mr. Clay, in his speech at Cincinnati, makes the following remark: "That system (the American System) has had wonderful success; it has diminished the prices of articles of consumption, and has placed them within the reach of a far greater number of our people than could have found means to consume them, if they had been manufactured abroad instead of at home."

The Address of the Pennsylvania Society, issued for the purpose

once maintained them; but they cannot be subverted. Talents and ingenuity can do much. They can, when misapplied, as they too often are, mislead the selfish and the ignorant, but they cannot unsettle or overturn those original and self-evident principles, which lie at the foundation of truth and justice.

of assembling the Harrisburg Convention, says, "It is assumed that protecting duties on the importation of foreign manufactures greatly enhance the prices, and of course, impose an oppressive tax on the consumer. Nothing can be more foreign from the fact." This document was at the time attributed to Mr. C. I. Ingersoll, one of the most intelligent advocates of the "American System."

In the Resolutions passed at the meeting in Philadelphia for the choice of delegates, we find the following specific declaration. "In fine, the positive evidence is all around us, that every article that has received full protection has, without exception, instead of becoming dearer and worse, become cheaper and better since the era of protection, and none pays as much as heretofore for any of the productions of handicraft, but those who insist on paying more in order to gratify their caprice or their aversion; houses, ships, clothing, a hat, a coat, a shirt, shoes, machinery, carriages, furniture, manufactures of wood, iron, cotton, wool, leather, peltry, glass; in short, nearly all the necessities and luxuries of existence, are to be found in our work shops of better materials and workmanship than can be brought from abroad."

The New York Tariff Convention repeat the same contradictory proposition, in the following terms. "Mistaken opinions in regard to the effect of the Tariff upon the prices of commodities used in the United States, and upon which the protective system has been brought to bear, have furnished some popular objections against the wisdom of the policy. It has been said that the effect of a duty is necessarily to increase the price of an article upon which it is laid to the full amount of the tax. It would be easy to show by a minute survey of the whole field of American industry, that, so far from this being true, the invariable operation of the Tariff has been to lower the price to the consumers of every article that has been successfully manufactured under the protection. Such a survey would require more detail than the purpose of this address allows; but we propose to examine the operation of the Tariff upon some of our most important articles."

The last authority we shall produce is Mr. Niles, who has summed up in a few words the substance of what has been put in a more extended form by others; "All articles," says this popular and influential writer, "all articles protected are cheaper because of that protection."

That the prices of most articles of consumption upon which the Protecting System has been brought to bear, are lower than they were before the first protecting act was passed, no one can deny. It is not as to the fact of a fall of prices that the restrictionists and their opponents differ, but as to the causes which have produced

this fall. Our opponents assert, in unqualified terms, that the decline in the prices of the commodities referred to, which are those on which the highest duties have been imposed, is to be attributed to the various acts of Congress, by which these duties were so raised; or, in the words of the Address, "the invariable operation of the Tariff has been to lower the price to the consumer of every article that has been successfully manufactured under the protection."

At first view, there seems to be some qualification in the terms, "successfully manufactured;" but in the first place, whatever goods are produced have the same tendency to bring down prices, as long as they are produced, whether profitable or unprofitable to the producers; and secondly, all the protected branches of industry have been successfully pursued, where the undertakers have been possessed of the proper degree of economy, skill, and other requisites for success.

It is true that prices of most of the high dutied articles have fallen, and equally so, that this fall has followed the various Tariff acts, augmenting the rates of duty; and it is on this ground that the theory of free trade, which asserts that taxation on an article increases the price of it, is condemned as unsound, because, as is maintained in this case, the results do not correspond with the theory. Now, unlike our opponents, we say that a theory which is contradicted by its practical results is an unsound theory; but we deny, altogether, that such is the case in this instance: we say that prices have fallen, in spite of these duties, and we have seen no attempt whatever to show any connexion between these two insulated facts, viz. an increase of duties, and a fall of prices. Can any thing be more inconclusive than this mode of reasoning; that because one event has succeeded another, the former, though without the least evidence of connexion, must necessarily be the cause of the latter; and is it not, at least, a sign of the weakness of a cause, when a committee, selected from an intelligent assembly of 500 persons, are compelled to resort to such an abuse of the understandings of those to whom they address themselves?

The duties on woollens, cottons, iron, &c., were increased by the Tariff acts of 1816, 1818, 1824, and 1828; therefore the decline since experienced in the prices of these articles has been caused by these acts. This is the way in which the beneficial effects of the "American System" are proved by those who are perpetually sneering at the advocates of free trade as visionary enthusiasts, men whose theories, though correct, seldom lead to good results.

Suppose that, in pursuance of this mode of reasoning, we should endeavour to account for the decline in price of an article, which has not been affected by the protecting duties. Bonaparte was banished to St. Helena in 1816; pepper, nutmegs, and cloves, have, since that period, fallen in price 50 *per cent.*; consequently,

the banishment of Bonaparte lowered the value of spices. There are articles, on the other hand, which have risen of late in value, and by the same conclusive mode of reasoning, we may arrive at similar logical conclusions. Coffee has advanced 50 *per cent.* since July, 1830; Charles X. was expelled from France at that period; consequently, the expulsion of that monarch from his kingdom has advanced the price of coffee.

A recurrence to facts without regard to their mutual relation, without even an attempt to show why one was the consequence of the other, cannot be considered as proving any thing. Now, there is not necessarily any more connexion between the fact of raising the duties on the articles referred to in the New York Address, and that of the fall of their prices, than there is between the historical events to which we have alluded, and the subsequent fluctuations in the value of spices and coffee. In one part of the Address, competition of American with foreign labor is alluded to as the operating cause of the fall of prices; but so far is this from proving what is intended, that it proves the very reverse; because it is evident that an admission of foreign goods into our market, at lower duties, would have increased home competition; and thus while our supplies would have been undiminished, prices would have been lower from that very cause.

Absurd as it is, yet these are the facts of which our opponents boast so much, and this is the manner in which they argue upon them. It is by a similar "*argumentum ad ignorantiam*," that systems founded on the same principles of injustice as is the "American System," have been maintained in the old world, from which this was borrowed. Great Britain has been the most prosperous nation in Europe; the Restrictive System, till within a few years has been maintained there, and the people, who bear the burthens of such systems, were told that their prosperity was the consequence of these restrictions; but there has not, for a long period, been a writer of any eminence, nor a statesman whose opinions are worth quoting, who does not consider these restraints upon the occupations of men, as having retarded the advancement of that kingdom in civilization and wealth. They have already abandoned many of the worst parts of the restrictive system, and it cannot be doubted that, at no distant period, they will make a much nearer approach to the free trade system.

Again—Great Britain has been involved in wars, which, within forty years only, must have cost her, including her national debt and increase of poor rates and pensions, at least 10,000,000,000 dollars; yet, during that whole period, she was the most prosperous nation in Europe, and the opinion is not uncommon in this country that her wars have contributed to her prosperity; but we think that no man, who has reflected upon the inevitable effects of taxation and extravagance

incident to war, without referring to its other evil consequences, can for a moment believe that she would not have been in a much more prosperous condition, could those wars have been avoided. Nations advance in population and wealth, where there is industry and intelligence, *in spite* of wars, pestilence, famine, restrictions and bad legislation. The effect of these calamitous visitations are partially overcome by more powerful counteracting causes, which are in constant and active operation.

Thus it is in this country. We likewise, within forty years, have been afflicted by wars, embargoes, and "American Systems;" but the industry, intelligence, economy and enterprize of our people, the fertility and cheapness of our lands, the economy of our government, and the excellence of our institutions have overcome these obstacles in a considerable degree; but nothing can be more irrational than to attribute our present state of prosperity to these evils, nor can any reflecting man doubt that, but for them, we should have been more prosperous and happy than we now are.

That the prices of most of the articles which have been favored by the Protecting System have fallen, is undeniably true, and so it is, of other articles, not affected by that system; but, as our opponents have not offered any satisfactory evidence, that this decline in price has been caused by the various augmentations in the rates of duty, the presumption is that they have none to offer.

We agree, then, to their facts, but deny their conclusions. On the contrary, we affirm that the fall in prices has been occasioned by causes wholly independent of, and unconnected with these alterations in our Tariffs, and that, but for the existence of the present and former rates of duty, every article referred to in the New York Tariff Address, as among those the prices of which had fallen, would now and at any former period have been at much lower prices than those the consumers have actually paid and are now paying for them.

The proposition of our opponents amounts to this, that the effect of every successive augmentation of duties by the acts of 1816, 1818, 1824, and 1828, has been injurious to their interests, inasmuch as these additional rates of duty on the foreign articles were the causes of a decline in similar articles made at home, below the prices to which they would have fallen, had no additions been made to the low rates which existed prior to the Protecting System.

The first Tariff of protection (intended only for a temporary purpose, however,) was passed in 1816, and it is well known that prices of most articles relying on the Protecting System began to fall rapidly after that act went into operation; but the manufacturers, so far from believing in the maxim, that *high duties on foreign articles lower the price of domestic articles*, made application to Congress, in 1818, for a continuance of the rates on cottons and woollens, granted by the act of 1816, which, otherwise, were, in three years, to have

been reduced one-fifth; and, at the same time, the iron-masters obtained an augmentation of nearly 70 *per cent.* on the duty on hammered bar-iron, it having been increased from \$9 to \$15 per ton. Does this look like a belief in their assertion, that an increase of duties lowers the price of the home-made article?

In 1820, application was again made for a further increase of duties on cottons, woollens, iron, &c. which, in 1824, resulted in additional duties on each of the foreign articles, coming in competition with similar domestic articles. During this interval, (from 1820 to 1824) foreign cottons, woollens, iron and most other productions had fallen from 20 to 30 *per cent.*—not from the competition of our manufacturers, but from causes to which we shall hereafter advert. We were at this very period importing, heavily, foreign iron, woollens, cottons, &c. under duties of from 25 to 100 *per cent.*; and yet, if we are to believe the assertion in the Address, these increased rates of duty paid on an immense amount of goods, imported because former rates of duty were insufficient to protect the home producers, did not operate as a tax on the consumers; or, to use their own words, “the invariable operation of the Tariff has been to lower the price to the consumer of every article that has been successfully manufactured under the protection.” In truth, they affirm that, whilst the home producers were enjoying a protection of 25 *a* 100 *per cent.* to keep out of our market the cheaper foreign fabrics, and which rates were insufficient for that purpose, the consumers were obtaining the protected articles cheaper than they could have obtained the foreign articles, if no such duties existed.

It is true that even under the increased duties, goods were cheaper than before the Tariff of 1816; not, however, because of those duties, but in spite of them. The decline of prices abroad has been generally greater than the augmentation of duties; otherwise importations of foreign articles would have received a greater check, and have been sold at higher prices. Had not the duties been raised, however, they would have sold at still lower rates.

Again—if the favored class, for whose benefit the high duties were established, found by experience that the Tariff acts of 1816, 1818, and 1824 had lowered the prices of domestic articles and consequently injured their interests, why did they call for the act of 1828, which more than doubled the duties on woollens, and greatly increased those on cottons, iron, wool and some other articles; and why ask for a continuance of duties, which, as they assert, have heretofore lowered the prices of all protected articles?

The mere statement here given of the conduct of the favored classes in making such continual demands for duties (and which have not as yet been sufficient to satisfy their importunities,) affords the most irrefutable proofs of the incorrectness of their declaration. But we doubt not that it will be said, that our statements and reason-

ings, however true they may appear, are founded on some of those theories of free trade, which, however sound in principle, cannot be relied upon for correct practical results.

We will then produce some facts, in which our opponents so often allege that we are deficient, which, we think, will satisfy the most prejudiced of the truth of our position.

1st. The article of *cotton goods* is that which, of all others, has been the most highly favored, and which has made the greatest advances to perfection. It is thus noticed in the New York Tariff Address. "In the article of cotton, it is admitted that our manufacture has arrived at such perfection in the production of the coarse fabrics, that they are not only furnished at little more than one half the cost which the imported articles of the same kind bore a few years ago, but they are produced as cheaply, at the present time, as our foreign rivals, under all the excitement of the American competition, are able to furnish them. They have had a constant and increasing demand for several years for exportation as well as for home consumption. None but the finest qualities are imported, which are little, if at all, affected by the minimum duty."

This statement, in connexion with their declaration that the invariable effect of the Tariff has been to lower the prices of goods to the consumer, is evidently intended to impress on the minds of their readers a belief, that cotton goods are manufactured here cheaper than they could be afforded from abroad, had the protecting duties not been established; and as a proof of it, they refer to an increasing exportation of these fabrics for some years past.

Our answer to this is, that so much cheaper are cotton goods in Europe and elsewhere that from 1821 to 1830, inclusive, (10 years) we have imported cotton goods to the value of 92,132,000 dollars: deduct 20,000,000 dollars for exportation, and there remains 72,000,000 dollars consumed here. The duties, during this period, have ranged from $6\frac{1}{2}$ to $8\frac{3}{4}$ cts. per square yard, under the minimum valuation, which embraces the coarse and middling qualities, and 25 *per cent.* on all costing 25 cts. and over;—this was subsequently altered to 30 and 35 cts. per square yard, making the duties on coarse goods 50 a 100 *per cent.*; and on finer sorts 25 *per cent.*; thus, in accordance with the principles of the "American System," taxing the people not in proportion to their wealth, but their want of it. These goods paid an average duty of at least 40 *per cent.*, which, with 20 *per cent.* charges of importation, making 60 *per cent.* on 72,000,000 dollars, carries up the cost to the consumer to 115,000,000 dollars; of which 28,800,000 dollars was the amount of protecting duties levied on these goods for the benefit of the manufacturers. Yet we are told that the invariable operation of the Tariff has been to lower the price of protected goods to the consumers.

But large as has been the amount of imported cottons on which so heavy a tax has been actually paid; it must be borne in mind that an equal, or perhaps greater amount has been excluded from the market, by prohibitory duties; and in consequence of this exclusion, the consumers have been compelled to purchase the domestic article, at even a greater additional cost than the amount actually paid for duties on those which were admitted: this, in a former part of our statement we estimated at 8,000,000 dollars *per annum*; making 80,000,000 dollars in the time referred to, and making the whole sum taxed for the protection of this class of manufacturers for ten years only, ONE HUNDRED AND FIFTY-TWO MILLIONS OF DOLLARS.

But it appears by the Address that we export cotton fabrics; and this has often been mentioned as among the unanswerable proofs of the superior cheapness of our cotton manufactures to those of any other country, and consequently that the duties, high as they are, may be considered as nominal. The assertion was made by Mr. Niles, and has been repeated in innumerable speeches and essays, that, so much cheaper were cotton goods in this country than in England, "that we could undersell the British in every foreign market at which our goods are received on the same terms as theirs."

Now it is true that, in such a various and extensive commerce as we pursue, there are many markets where assorted cargoes are required, and in making them up, domestic cottons are taken in small quantities and occasionally in large ones; and in some countries they have answered the purposes of the shippers; but it cannot be inferred from the small quantity of goods we export, that we can manufacture as cheaply as in England. Our largest exportation was 1,318,000 dollars, whilst that of Great Britain has been as high as 90,000,000 dollars, and may average 75 or 80,000,000 dollars.

But there is another view of this matter, which shows how little may be inferred from the fact of our making small foreign shipments, as to the superior cheapness of our fabrics for exportation over foreign cotton fabrics; and it is this, that if cotton goods were low enough here to undersell the British, we should neither import them at an expense of 60 *per cent.*, for consumption, nor at an expense of 20 *per cent.*, for exportation; nor should we send our ships to England to carry her cotton fabrics to Asia and elsewhere, as is done to a great amount, and by men largely concerned in the best managed factories of New England, if cheaper ones could be had at home. On referring to the Custom House returns, we find the amount of domestic cotton fabrics, *of all sorts*, which have been exported since 1826, being the first year that a separate return was made, down to 1830 inclusive, making 5 years, was 5,855,471 dollars. The demand for export does not appear to have increased very rapidly: the exportation of 1830 was the largest, and exceeded

that of 1826 by 180,058 dollars. From inquiries we have made, we have reason to believe that the exportation since 1830 has very much declined.

During this same period, our merchants have imported from Europe and elsewhere for exportation, at an expense of 20 *per cent.*, 9,861,557 dollars worth of cottons; which, with charges, amounts to 11,833,892 dollars. This statement of facts, accessible to all, carries on its face the most convincing evidence of our inability to undersell the foreign manufacturer in any markets. Indeed, nothing can be more absurd than to pretend we can do so, when, on those very goods which we manufacture to the most advantage, the manufacturers require protecting duties of 50 *a* 100 *per cent.*, to keep similar foreign goods out of our market.

It will be observed that the passage quoted from the Address asserts that coarse fabrics can be made "cheaper than our foreign rivals furnish them," and consequently, that the duties imposed upon those particular qualities are unnecessary to the manufacturer, and therefore inoperative on the consumer. Now, it is on the coarse goods, that the duties have been raised, whilst the duties on the finer sorts have remained as originally established in 1816. The duty under the minimums, which was intended to operate on coarse goods was fixed at $6\frac{1}{2}$ cents by the act of 1816, to fall in 3 years to 5 cents; which, at the rates cotton goods were costing in 1816, was equal to a protection of 25 *a* $33\frac{1}{3}$ *per cent.* By the fall in price of cotton goods abroad, this specific duty of $6\frac{1}{2}$ cents per square yard, which was made permanent by the act of 1816, amounted, in 1824, to a rate of duty on coarse goods ranging from 30 to 60 *per cent.* Yet so far were the cotton manufacturers from being satisfied with these excessive duties, though the ratio was continually increasing by the diminishing cost of cotton fabrics, that they immediately demanded a further increase; and by the act of 1828 the rate was fixed on coarse goods at $8\frac{1}{2}$ cents per yard, leaving the duty on the finer qualities at the original rate of 25 *per cent.*, granted in 1816.

Would the manufacturers have acted in this manner, had they considered an increase of duties on foreign goods as tending to lower the prices of similar domestic articles, or if, as they assert, they were conscious of their ability to keep the foreign manufacturer out of our market, and undersell him in foreign markets?

Admitting the truth of the declaration of the New York Convention, that coarse goods can be made as cheap as our rivals can manufacture them, what must we think of the conduct of those whom this Convention represents; who, since 1816, have been demanding increased duties under the pretence that those which they then enjoyed, and the still greater which they subsequently obtained, were insufficient for their protection?

If, however, the intelligent committee, who drew up the Address, are correct in their assertion that coarse goods are cheaper here than abroad, and that the finer qualities derive little or no aid from the minimum valuations, then it follows that no injury can be done to this important and valuable branch of manufacture, if the duties on the coarse goods should be entirely repealed; while the finer qualities may be left with the 25 *per cent.* protection they now enjoy.

2d. Next to cottons, the manufacture of woollens has been the most highly protected, and of late, indeed, has enjoyed a higher ratio of protection than any other article; the duties on woollens ranging from 45 *a* 200 *per cent.*; few of them, however, actually pay over 75 *a* 100 *per cent.*, as those which are subjected to a higher rate than this are not imported. We make the following extract from the New York Tariff Address in relation to this article. "Without protecting duties, American wool would be reduced one half in quantity and in price." Again—"for like every thing else, woollen goods have fallen 20 to 25 *per cent.* since the last Tariff. The immediate effect of that act, by calling a large number of additional clothiers into active enterprize was to cause a decline in prices ruinous to many of those before engaged in the occupation." Again—"the finest cotton and woollen manufactures are not much made in the United States, but we may assert, without fear of contradiction, that nine-tenths of the American people who do not affect foreign luxuries and fashions, may be clothed with woollen, cotton, fur and leather fabrics, of their own country, better and cheaper than either could have been obtained abroad, if the Tariff had never been enacted."

The same assertion is here made as in the case of cotton goods, namely, that articles which are protected by excessive duties against the competition of similar articles made abroad, are now obtainable by the consumers at lower prices than the foreign ones would be, if these duties had never been enacted. Now if this were true, it is very evident that the existing duties are inoperative, and consequently that no goods would be imported if they were repealed. What then is the fact? Have woollen goods ceased to be imported? To ascertain the truth of this matter we refer to the Treasury Reports for the past 10 years, inclusive of 1830, and find the whole amount of woollens imported is 83,300,000 dollars, of which about 3,000,000 were exported, leaving for consumption 80,000,000 dollars.

The existing duties on woollens range from 45 to 200 *per cent.*; but as they were not increased beyond 33½ *per cent.*, or 36½ *ad valorem* till 1828, we call the average rates actually levied on the above importation 45 *per cent.*, and the other importing charges are 20 *per cent.* If, then, we add 65 *per cent.* to the cost of the woollens, we shall find the full cost of the imported woollens to the consumer

for ten years to be 132,000,000 dollars, of which 80,000,000 dollars was the cost of the goods abroad, and 52,000,000 dollars the charges of importing, which operated as so much protection to the domestic manufacturers. Yet, we are told in the New York Tariff Address, by Mr. Clay, Mr. Niles, and other leading authorities we have cited, that cottons and woollens and other manufactures, come cheaper to the consumers, than they would have done, had the Tariff of 1828 never been enacted.

But, as in the case of cottons, so also there is a larger amount of woollen goods excluded by duties, which, where they go beyond a certain extent, become prohibitory, than is actually admitted under the more moderate rates. We estimated this amount of excluded goods, which would have come in under lower duties, at 12,000,000 dollars *per annum*, equal to 120,000,000 dollars for the period of ten years, making the whole amount of goods taxed for the benefit of the woollen manufacturers 200,000,000 dollars.

This demonstrative evidence of the unsoundness of the position, our opponents have attempted to maintain, is founded on facts accessible to all. Woollen goods have never ceased to be imported, under charges of 50 to 120 *per cent.*, and still continue to be imported and sold at a fair profit. We have before us a schedule of 24 different kinds of woollen fabrics, imported this year, on which the duties actually levied range from 45 to 100 *per cent.*; the other charges of importation are 20 *per cent.*, affording a protection to the American manufacture of similar goods of 65 to 120 *per cent.*, and on which there is still left a good profit to the importers. These were not fine goods only, but embraced all qualities, from the cost of 55 to 555 cents per yard. Many members of the New York Convention who approved and signed the Address, are importers of woollen goods, and must have been aware of the truth of facts, such as we have just stated.

We have, also, another list of still coarser goods which are prevented from coming into our market by excessive duties imposed upon them, ranging from 100 to 200 *per cent.* The amount of imported woollens for 1831 will not, we think, from the best sources of information we can obtain, fall short of 7,000,000 dollars, which, with the charges of importation, will stand to the consumers at least 12,000,000 dollars;* and yet the nation is told in an Address signed by some of the importers of these goods, who knew to what an extent the importing business is pursued, and to how much greater extent it would be pursued were the duties lowered, that we get woollen goods cheaper than they could be obtained, had the Tariff law not been enacted.

* In addition to this ascertained amount of foreign woollens imported, it is alleged, on the authority of respectable manufacturers, that an immense amount of what are imported, are admitted, especially in New York, under fraudulent and diminished valuations; to which add the illicit importations

The Address asserts that those who do not affect foreign fashions, may be clothed with woollens or cottons cheaper than they could

from Canada and other British colonies, where the duties are only 2½ *per cent.* and the expense of transportation from England not exceeding 3 to 5 *per cent.* more, and it can hardly be doubted that the whole amount of foreign woollens, as they stand to the consumers, for 1831, will be at least fifteen millions of dollars.

With regard to frauds on the revenue, Mr. Davis, member of Congress, from Massachusetts, in a speech in 1827, says, "that nearly half of the duties on woollens imposed by the Tariff of 1824, had been taken away by the modification of the British Tariff, and the other half evaded."

This is the inevitable consequence of extreme duties, even in Great Britain, with a coast not one-tenth the extent of our coast and frontiers. Mr. Huskisson repeatedly asserted, that when a duty went beyond 30 *per cent.*, the smuggler divided the revenue with the government; and yet that nation has ten-fold as many guards upon the revenue, as our government has employed or can employ. From the following extracts from a debate in the New York Tariff Convention, and from some former ones before given, it would appear, that, under the existing Tariff, the most extensive and open frauds are now practised upon our revenue.

"Mr. Schenck, of New York, from the committee, made a partial report respecting the evasions of the revenue laws, in which they state that they are possessed of a variety of evidence to show that frauds are practised by importing merchants to a great extent. The committee express a confident hope that the glaring defects in the laws may be speedily remedied. The report was received with applause.

"Mr. Cox stated that he had a communication from Mr. Ingham, which went to show, that by the mode of calculating the duties, owing to the rate of exchange, the same articles from England paid about two and a half *per cent.* less than they pay when they are imported from France.

"Mr. Ellsworth, of New York, made some remarks, tending to show that the facts stated in the report were correct; and then referred to frauds and impositions, which daily took place at the Custom House; frauds on some occasions equal to four hundred dollars of duties on a single bale of cloth. The manufacturers are suffering from a canker-worm that is gnawing out their vitals, and they do not know it. He then adverted to the aid which the auction system afforded to this species of fraud. From this day forth, let the newspapers of this city cease to say there is no fraud; because a discovery has recently been made of twenty-four hundred pieces, attempted to be fraudulently entered at the Custom House, which detection has been a saving to the Treasury of the United States, in the duties imposed, of *forty-eight thousand dollars*. More than five hundred packages have been detected, within six months, in attempting to enter fraudulently, and but one single package has been condemned within two years.

"Mr. Ellsworth then enumerated different modes by which the Customs were constantly defrauded; and referred to a particular individual in that city, who might be considered a wholesale dealer in impositions. He said, some time since, a Yorkshireman had some goods sent to the public store for examination. He informed the Collector that he would not permit the individuals, whom he had appointed to examine his goods, to see them. The Collector was astonished. In a few days, however, he received a letter from the Secretary of the Treasury, informing him, that he had received depositions from the Yorkshireman alluded to, stating, that the individuals named by the Collector, were not qualified to perform the duty, and therefore directing him to select other persons. Who taught, said Mr. Ellsworth, these Yorkshiremen the way to Washington? The truth is, if some remedy is not found for these frauds and the perjuries connected with them, our sons must cease to pursue the business of their fathers. If we would preserve their morals from pollution, we must not employ them in a business where none prosper but those who act fraudulently, and who scoff at and deride, as valueless, the solemnity of Custom House oaths.

"Mr. Brown, of Massachusetts, followed in the same strain of reasoning. He

have been if the Tariff had not been passed ; thereby implying, that the duties are inoperative, except on the finer goods. Now, so far is this from being true, the Tariff is so contrived as to bear the more heavily on woollens, cottons, and most other articles, in proportion to their low qualities and low cost abroad. This we have shown to be the case with cottons, and it is still more so with regard to woollens. Thus, goods costing 10 to 30 cents per square yard, which include flannels, baizes, bockings, and many other articles, most indispensable to the poorer classes, are charged with duties of 75 to 225 *per cent.* Consequently, these foreign articles are principally prohibited, and the consumers are compelled to pay great additional prices for similar articles made at home. To divert the public attention from this injurious operation of the existing Tariff, it is said that cotton flannels, formerly imported from China, at from 50 to 60 cents per

said, that seven-eighths of the woollens are imported on foreign account ; that it was generally done through British agents. *Four* of these importers, within a few months, have imported *one million five hundred thousand dollars'* worth of broadcloths only. I am, said Mr. Brown, a manufacturer, but I would not consent to have the duty on wool repealed. The amount of wool now produced in the United States, is nearly equal to the whole amount of the cotton crop of the South. In five years it will be more than the cotton, and for this reason I would encourage the growth and production of wool.

"Mr. Cox asked, Does not the remedy consist in taking the goods at the invoice price ? or by valuing the goods at the ports of entry ?

"Mr. Brown, after some preliminary remarks against interfering with the Tariff laws, said, that he was one of those *who believed that a total prohibition of both cotton and woollen goods would be an advantage to the country*, but the Convention were not prepared for such a measure.

"Mr. Cox inquired, Is this city (New York) the only sink of pollution ?

"Mr. Brown said, some cases had occurred in Baltimore ; some few in Boston, but very rigid examinations took place there. New York contains, said he, a numerous class of British agents ; one of whom has sold within a year *nine hundred thousand dollars* in cloths only. The remedy for the frauds, he thought, would be a forfeiture of all goods invoiced under value.

"Mr. McCulloch contended, that the time would come, and that shortly, when the Tariff must be levied *upon the value of the articles imported at the port of entry*. Then, said he, let all face it without fear and trembling.

"The question was then put, and the report accepted.

"Some further reports were made and resolutions adopted—and at half-past one, the Convention adjourned *sine die*."

It is certainly wrong, as regards the manufacturers as well as the honest importers, that the laws should not be faithfully executed. Whatever the duties are, those in whose favor they were intended to operate are entitled to the full benefit of them ; but we apprehend without some more guards upon the revenue, that the laws will continue to be evaded ; and on that ground, we agree with one of the speeches in the debate, that an entire prohibition, would be the true and only way of avoiding that evil, and of accomplishing the object of the manufacturers. If it be wise, just, and constitutional to prohibit a considerable portion of all the woollens which we might procure 50 *per cent.* cheaper abroad than at home ; then it most certainly is just, and politic, and constitutional to extend the system to an entire prohibition ; for when the principle is once admitted, that one class of citizens can justly and legally compel other citizens to pay an extra price for the productions of their labor, why the sooner the system becomes general and is carried out to its utmost limits, the better it must be for the nation.

yard, are now made here, of a better quality, at from 15 to 20 cents per yard. It is of very little importance how much cheaper we can make flannels than the Chinese. There is no doubt that we can surpass them in all branches of the cotton and woollen manufacture, as much as we do in that system of restrictions, which we have learned from them. But we do not depend on China for flannels. They have always been cheaper in Europe and in this country than in China; nor did we ever import from that country cotton flannels enough to clothe the inhabitants of one of the wards of a second-rate city. A piece of flannel, costing 10 cents per yard, is subject to a duty of 12 cents per yard, or 120 *per cent.*;—a yard of baize, costing 11 cents per yard, is subject to a duty of 22 cents per yard, or 200 *per cent.* If an importer is asked whether he actually pays such duties, he will answer; No, because when the duties exceed 75 a 100 *per cent.*, they become *prohibitory*, and the goods are excluded. Still, these duties operate on the consumers, by compelling them to pay a double price for similar home-made articles. This part of the taxation is wholly invisible to those who are not acquainted with the cost of goods abroad, but is not the less real. The effect of these prohibitory duties on coarse goods, flannels, baizes, &c., has been to give the monopoly of these necessary articles to the home manufacturers; and so great have been the profits on them, that flannel factory shares in some parts of New England have advanced, within 18 months, from 1000 a 1200 dollars per share, to 3000 dollars per share. We could appeal to several flannel manufacturers of the New York Convention to confirm the truth of these statements.

The second class of woollen goods, costing from 35 to 125 cents per square yard, which embraces low broadcloths, cassimeres, coatings, and all other fabrics for the poor and middling classes, are taxed, with few exceptions, from 65 to 110 *per cent.*, and consequently, like the former class of still lower priced goods, are kept out of our markets, and the consumer is driven to the dearer domestic article. Do not these facts refute the statement in the Address, which affirms, substantially, that the Tariff bears only on those who will at any expense gratify a luxurious taste for foreign fashions?

We come now to the finer cloths, which can be consumed only by the wealthy classes, and we find that cloths costing \$3½ to \$5 per yard, and which, to pay cost and charges, must bring from \$5½ to \$8 per yard, are taxed only 45 a 51 *per cent.* So far then is the Tariff from favoring the consumers of the low qualities of woollen goods, that, in conformity with the general operation of the falsely termed "American System," the poorer the consumer the more heavily it taxes him; and such is necessarily the effect of all restriction on the industry and occupations of men, under whatever deceptive terms it may be disguised.

But, enormous as are the duties which the act of 1828 imposes

on woollens, it was complained of by the restrictionists, because these duties were not higher. Mr. Mallary's amendment would have advanced some of the rates 25 *per cent.* beyond their present limits, and that alteration in the act was proposed and strenuously advocated by the members from the woollen manufacturing districts, many of whom are either themselves manufacturers, or the pecuniary and political dependents of manufacturers. We say, that amendment was supported by this party because of the insufficiency of the existing rates of duty on woollens; and the present act was finally opposed by many of them because that amendment did not prevail. After the act was passed, the severest denunciations against it appeared in the papers most devoted to the favored manufacturers, and particularly in the editorial remarks in Mr. Niles' Register, Aug. 3d, 1829. He says, "The act of 1828 was projected, arranged, and passed on principles disreputable to a Congress of the United States." Again, "If ever a corrupt bargain was made in Congress, there was in this; a *quid pro quo* affair, adjusted out of doors, a this for that, not to be mistaken, and capable of proof, as we think, in a court of law, &c." Whether Mr. Niles' assertions and proofs of the corrupt motives and conduct of the makers of the act of 1828, are to be relied on, we are unable to say; but his character for honesty never was impeached, and we apprehend that few men are more in the confidence of those most instrumental in forcing that law on the nation. Our object, however, is, not so much to show an honest editor's opinions of the character of the majority in Congress who passed that act, as to prove that the manufacturers were dissatisfied with it; and they were so, because the duties on woollens were not high enough to meet their views. To give further proof of this, we offer two extracts from letters in Mr. Niles' Register; the first from Mr. James McIlvaine, whose name is recorded among the signers of the New York Tariff Address. He says, "Nothing appears more clear to me than that an improvement in the act of 1828 as regards woollens, is most seriously and urgently required. It ought to be the first act of Congress at their next session. Strike out that pernicious dollar minimum; make the duties payable in cash, &c." This striking out the dollar minimum would double the duties on articles now taxed 50 to 150 *per cent.* He concludes with the following advice to the farmers, who are now paying an immense tax on many of the necessities of life, recommending an additional one on woollens:—"But if the farmers could come to know their true situation, they would make short work of it, and exclude British woollens entirely."—This opinion, that nothing but entire prohibition will answer, has often been expressed; and entire prohibition will be the result of the existing system, if the attempts now making by the national party to return to a system of revenue duties should fail.

The other letter, to which we referred, was written, as Mr. Niles says, by one of the most respectable and worthy gentlemen in New England. The writer, after complaining of the act of 1828, adds, "The system which can alone sustain him (the woollen manufacturer) *is founded on the principle of monopoly*. Take him and the wool-grower, and give to them the American market, without foreign competition for fabrics their raw material and machinery will supply; do by these as you have done by the cotton manufacturer,—and home competition will protect the consumer. What then seems requisite to sustain the woollens? Repeal the 1 dollar minimum; lay an auction duty of 15 *per cent.* on all sales of woollens, either by the piece or package; drive them to the shelves; reduce the duty on olive oil, indigo, soap, and dyewoods; do all this, and you will save the 100 millions embarked, and speedily add 50 millions to it."

We could quote numerous passages, of similar import from the speeches and essays of the leaders of the Tariff party, to show that nothing short of entire prohibition will satisfy them. "Give us protection," says one, "whether 50 or 150 *per cent.*"—"The Tariff law of 1824," says Mr. Everett, "was framed to enable each article manufactured at home to sustain a competition with the same article as imported." Mr. Webster says of the act of 1828, "The meaning was to give the American manufacturer an advantage over his English competitor." There cannot we apprehend, be the smallest doubt on the mind of any impartial man that it is the settled determination of the party we are resisting, to carry the existing system up to entire prohibition. The question now at issue is, not only whether we shall be relieved from our present burthens, but whether we shall be oppressed with heavy additions to them; for, if the principle be established, that certain classes are entitled to tax the nation for the benefit of their particular pursuits, the same privilege must, in common justice, be extended to all who may apply for it.

3d. We now come to the article of iron, respecting which great pains have been taken to deceive the nation, by attributing the fall in price to the effect of increased duties. The chief benefit of the protecting system to Maryland, Pennsylvania and the Middle States generally, arises from the tax on this article. But we shall hereafter show that the quantity of iron sold out of the States where it is manufactured, is so small that what is gained by the iron tax, which goes chiefly to one of the wealthiest classes of men in the Union, is paid back by the people of these States in a twenty-fold ratio in taxes on woollens, cottons, molasses, sugar, salt, glass ware, spirits, slate, coal, oil, stationary, and numerous other highly dutied articles. The same remark is applicable to hemp, by the protection of which Kentucky was seduced into an alliance with the small number of persons who are really benefited by the existing system.

The hemp-growers were told that they should have the home market for their staple ; but so unfit is domestic hemp for the use of ships, that we are still compelled to import as much of the foreign as our ships require, since they use no other ; and Kentucky hemp is not now half as high as it was before the act of 1816. Our navigation is thus burthened with an enormous tax, without the smallest benefit to the hemp-grower.

So, also, with the wool-grower. He was promised the enjoyment of the home market for wool, by the exclusion of foreign wool ; yet the importation of this article is greater, this year, than in any former one.

“ After the ineffectual Tariff of 1828,” says the Address, “ which ruined numbers induced by its vain protection to make investments in the manufacture of iron, it rose from 90 dollars to 105 dollars per ton. Under the influence of the duties of 1824 and 1828, it has declined to its present prices of from 75 to 85 dollars per ton ; and there is every reason for the confident belief entertained, that if our own market be protected against the formidable and incessant endeavors of the British manufacturers to control it, the price of iron will, before long, decline from 50 to 60 dollars per ton ; such is the irrefutable proof of all experience.” Again—“ The duty by the law of 1816 was so inadequate as to cause nothing but ruin to those concerned, and enhancement of price to the consumer. The act of 1818 was some amelioration, the acts of 1824 and 1828, which increased the duty, decreased the price. Hammered bar-iron under a duty of \$22.40 per ton, is at a lower price than when under a duty of 9 dollars per ton ; and improved in quality from 5 to 10 *per cent* by greater care and skill.”

Here is an unqualified assertion that the whole operating cause of the fall of iron, in the markets of this country, was the increase of duties by the acts of 1824 and 1828. Now, we suppose it will be admitted by every one familiar with the causes which lower and advance the prices of the great staples of commerce, that the market price of iron, like that of every thing else, is dependent on its cost in any market to which the consumers can resort for their supply, whether abroad or at home ; and that the price, in this country, must be regulated by the prices in the cheapest market, whether that be at home or abroad.

That the prices were cheaper abroad than at home, is a fact which no one will deny, and is so declared in the Address. It is there stated that the rates granted in 1818 (which were 15 dollars per ton on hammered and 30 dollars on rolled bar-iron) were so wholly inadequate to protect the American iron-masters, that numbers were ruined by foreign competition. Yet even these duties amount to 30 *per cent*. on Baltic bar-iron, and to 125 *per cent*. on British bar-iron. This discrimination was imposed, in contravention of our treaty

with Great Britain, under the pretence that the British iron is a manufactured article, though it is, notoriously, no more so than the Baltic iron, and is used for similar purposes.

That this excessive duty on bar-iron was to benefit the few wealthy iron-masters, and not the numerous workers in iron,* appears, conclusively, from the comparatively low duty on hard ware, which is but 20 a 30 *per cent.*, while that on British bar-iron is 150 *per cent.*

The truth is, the whole system of taxation is maintained by a few thousand capitalists and politicians, who exercise the same control over the legislation of this country, as is wielded over the Parliamentary enactments of England, by a few thousand landholders, who, by means of corn-laws, tax the poor man's loaf that they may riot in luxury.

It is now our purpose to show what have been the causes of the fall of iron in our markets from the passage of the act of 1816 to the present moment. First, in order to sustain the contradictory assertion, that high duties make low prices, the Address states, that the acts of 1816 and 1818, though raising the duties to 30 a 125 *per cent.*, proved ruinous to the domestic iron-masters by the insufficiency of their protection; and in consequence of this, the price rose from 90 to 105 dollars per ton. Here, it seems, the theory of lowering prices by increasing duties utterly failed, it being admitted that the prices advanced. The advance in the price of iron at home, after the Tariff of 1818, referred to in the Address, can easily be accounted for, by the advance in the prices in those markets in Europe whence we obtain a part of our supplies. In 1816 and 1817 the prices of iron in Sweden were £12½ a £14½ per ton: in 1818 and 1819, they advanced to £15 a £16 per ton, making an increase of cost of 10 a 12 dollars per ton; to this, there is to be added an increase of duty here, subsequently to 1816, of 9 dollars per ton. About the same time, there was an advance on bar-iron in Russia. In England, the cost of bar-iron, in 1817, was £8½ per ton, and in 1818 and 1819 the price had risen to £10½ a £12½ per ton; being an increase on the cost, of 12 a 15 dollars per ton. According to the Address, it was the increase of duties in 1824 and 1828 which reduced the prices of bar-iron. We shall attempt, how-

* "The duty on iron is particularly injurious to industry. This article is required for the machines of manufacturers, for all the implements of agriculture, and all the tools of the mechanic arts; for nails, of which 6000 tons are annually made, and chiefly from foreign iron; this is one of the very few manufactures which we export. *A far greater number of men are employed in converting this material into articles of use, than extracting it from the ore, and surely, THE INTEREST OF THE MANY OUGHT NOT TO BE SACRIFICED TO THAT OF THE FEW.*"

Report of 1820, advocated by Mr. Webster at the Faneuil Hall Meeting.

The duty was then not more than half the ratio on the cost of iron, that it now is; and yet it was then denounced as a tax on the *many for the benefit of the few*, by the most enlightened men in Massachusetts.

ever to show, that the fall of prices, since the passage of these acts down to the present period, has been occasioned by a great decline of the prices in Europe.

We have stated that in 1818 and 1819 the prices of iron in Sweden, were £15 a £16 per ton. Since that period, they have been continually on the decline, and within the last two years the prices have averaged about £10 : 10s. per ton. The fall in price, then, has been, at least, 20 dollars per ton, and the decline in freights, insurance, &c., 3 a 4 dollars per ton. On the other hand, the increase of duty since 1818 has been but \$7.40 per ton; and it therefore clearly follows that the importer can afford the article cheaper than he could before the increased duty—not in consequence of that duty, but in spite of it.

The decline in the cost of British bar-iron has been still greater. In 1818, the price was £10 : 10s.; in 1819, £11 : 10s. a £12 : 10s.: in 1823 and 1824, £8 a £9; in 1825, (when the price of every species of merchandize was raised by speculation) it advanced to £13, as in the Baltic it rose to £15 a £16; in 1826 it fell in England to £9, and has since declined to £5 : 5s. its present price. The additional duty since 1818, is 7 dollars per ton, and the fall in the markets, whence we obtain our supply, is 30 dollars per ton. Is it not evident, then, that it is the fall in Europe, which has caused the fall of iron here, and not the advance in our duties, the effect of which has been to prevent prices from falling still lower?

But we are told, if the nation will consent to a continuance of the tax of 40 a 150 *per cent.* on iron, that at some future time the price here will fall to 50 a 60 dollars per ton. But, we may ask, what security can be given for this? or what reasonable ground can there be for the expectation that such will be the result of the system, whose supporters have been continually calling for more duties in proportion as they advance in their respective branches of manufacture? For instance, the protection formerly enjoyed by the iron manufacturers was 7½ to 15 *per cent.*, and the business was then prosperous:—they now have a protection of 40 to 150 *per cent.*, and complain of its insufficiency.

But the boon now promised, to be enjoyed at some remote period, never probably to be realized, might be obtained immediately, by a return to revenue rates of duty. Baltic iron at a duty of 20 *per cent.* might be afforded at 70 to 75 dollars per ton, and British iron 40 dollars per ton.

Having shown the causes of the fluctuations in the price of iron in America, its advance and fall here, in consequence of its advance and fall in the markets whence we draw our supplies,—we proceed now to notice an unworthy application of the authority of Hamilton. "Let us next," says the New York Address, "consider the article of iron, and we will introduce the notice of it with a quotation from

that masterly report of the first Secretary of the Treasury (Mr. Hamilton), which, 40 years ago, recommended prohibitory duties in favor of the manufacturers of this article."

This is the deliberate assertion of the Committee, sanctioned by the members of the Convention. A reference to the Address will show that it is intended to refer to the production of iron. We have carefully examined Hamilton's report, and *we assert that nothing of the kind is to be found there*, relating to the production of iron. We will, however, present to our readers something, which is to be found there, at the close of his examination of the article of iron and manufactures thereof. Mr. Hamilton says. "A question arises how far it might be expedient to permit the importation of iron, in pigs and bars, free from duty. It would certainly be favorable to manufacturers of the article; but the doubt is, whether it might not interfere with its production.

"Two circumstances, however, abate, if they do not remove apprehension on this score. One is, the considerable increase of price which has been already remarked, and which renders it probable that the free admission of foreign iron would not be inconsistent with an adequate profit to the proprietors of iron works. The other is, the augmentation of demand which would be likely to attend the increase of manufactures of the article, in consequence of the additional encouragement proposed to be given to manufacturers of iron wares. But caution, nevertheless, in a matter of this kind, is most advisable. The measure suggested ought, perhaps, rather to be contemplated subject to the lights of further experience than immediately adopted."

This is the opinion of Hamilton. The duty on bar-iron was then 5 *per cent.*, and we leave it to our opponents to reconcile this with their assertion that he advocated its prohibition, by duties, as now imposed, of from 40 to 150 *per cent.* on the raw material of the very manufactures he wished to encourage. And even for these manufactures he asked but a duty of less than a cent per lb. on steel, 2 cents per lb. on nails and spikes, 7½ *per cent.* on manufactures of steel, and 10 *per cent.* on those of iron.

Towards the conclusion of the Address, there is one feeble effort to account for the fall of prices, independently of the causes which we have assigned, by ascribing it to the additional quantity of labor which has been put in motion by the "American System," thus increasing the competition amongst the producers of the various protected articles. Now, this argument stands in direct opposition to an established maxim of the restrictionists; viz. that to reduce the prices of domestic products, you must tax the cheaper foreign products of similar kind to prevent their coming into competition with them. Lest we should be accused of attributing absurdities to the Committee, without foundation, we give an extract from the Address.

"Whilst we assert that it has been the effect of the protective system to benefit the consumers by giving them manufactures cheaper than they had them before, we are willing to admit that prices have had a correspondent fall in the same articles abroad. But this fall of price abroad has been the result of the competition of American labor. It is impossible to advert to the fact that the United States export to foreign markets *six times the quantity of domestic manufactures* that they exported in 1820,* and, at present, furnish incomparably the largest share of the home demand, without perceiving the tendency of such a competition to reduce the price of the same articles amongst all those nations who aim at supplying us."

It seems, then, that the cause of the fall of prices is attributed to competition of the American with the foreign producers. Now, as far as the Tariff has a tendency to exclude the cheaper foreign fabrics, or to tax those which are admitted, its operation is directly the reverse of what is maintained. The proposition advanced in the Address, that the effect of competition is to reduce prices, is correct; and so it is, also, that to restrain competition has a tendency to advance prices; and we have, accordingly, shown that such was the effect of the Tariff acts of 1824 and 1828, in compelling the nation to pay an advance of from 25 to 100 *per cent.* on some of the necessities of life.

* The export of domestic manufactures in 1820, according to Vanzandt's Tables, was 2,644,000 dollars. From which deducting gold and silver, mixed with other articles, but estimated at 144,000 dollars, leaves 2,500,000 dollars. The exports for 1830, amounted to 6,567,380 dollars, from which deduct gold and silver, leaves 5,630,229 dollars. Now, as we had a population of upwards of 3,250,000 less in the former than the latter period, an addition should have been made to the latter of about one third, to show the comparative ratio, which makes the export of 1820 about 3,300,000 dollars, against 5,630,229 dollars, or two-fifths larger in amount, instead of six times, as their statement implies. That this branch of commerce, however, has not increased, may be inferred by adverting to former years; for five years ago, with a million less population, our exports of domestic manufactures amounted, exclusive of gold and silver and *cotton goods*, to 5,963,361 dollars.

But the export of domestic manufactures, with the exception of cotton goods, owes nothing to the high protecting duties, since most of the articles, which make up the list were exported long before the existence of the "American System;" for instance, leather, wooden and iron wares, soap, candles, gun-powder, spirits, cordage, hats, &c. On the other hand, the high duties on raw iron, hemp, cloths, &c. have lessened the exportation of nails, cordage, wearing apparel, and many other articles, probably to the extent of some millions of dollars. Reduce the duty on raw iron to a revenue rate, and our manufacturers would undersell the whole world in the article of nails, a manufacture which grew up under a moderate revenue duty.

But why is so much stress laid on the export of domestic manufactures, as if only one branch of industry were worthy the patronage of the government?

Look at the effects of the system on exports at large, which, as we shall hereafter show, are annually at least 55,000,000 dollars less than they would have been under a free trade policy.

But why, we would ask, if we can export iron, cotton, woollens, &c. is it necessary to tax the whole nation 25 to 75 *per cent.* on some of the first necessities of life, for the promotion of those very domestic manufactures?

But if we adopt the reasoning of the Address, viz. that by excluding foreign competition, we had increased domestic production, the only mode in which this could have affected the foreign prices of the protected articles would have been by increasing the supply of these articles in those markets to which we, as a nation, can resort for supplies. Let us, then, apply this to some of the most highly protected articles; and, 1st. as to sugar, which, according to the Address and numerous other authorities on the side of restriction, has been reduced in price by high duties. The *market* price of this staple, and all others, is regulated by the proportion of the supply to the demand. The *natural* price may be above or below the market price, and is regulated by the cost of production, and must be sufficient to pay this cost, together with the average rate of profit on capital, in the country where it is produced. The *market* price of any commodity cannot long differ, materially, from its natural price, since capital and labor would soon be attracted to its production, or withdrawn from it, and its price be restored to its *natural* rate. The *market* price, then, of sugar consumed in this country is regulated, not by the supplies afforded from Louisiana, but by the supplies which can be procured in all the markets of the world to which we can resort. Its price to the consumer in this country is regulated by its *natural* price in those countries whence it can be had at the lowest rates, with the addition of a tax of 3 cents per lb. levied on him for the purpose of securing a monopoly of the home market to 700 sugar-planters of Louisiana. Enormous as is this tax, it does not wholly answer its purpose, since, of our whole consumption of 130,000,000 lbs., about 55,000,000 are still imported. From these facts, the correctness of which cannot be disputed, it follows, that if the cost of production, in Louisiana, be no higher than in the places whence we obtain that part of our consumption which is imported, there is a most extravagant and unwarrantable bounty given to the planters of Louisiana, amounting to more than four millions of dollars annually. Or, if the cost of production in Louisiana be so high that this bounty of 3 cents per lb., with the additional charges of importation, does not afford a large profit to the planter, there needs no more to show the utter absurdity, as well as injustice, of forcing the cultivation of a staple, which costs the producer more than twice as much as a similar article costs abroad; and especially as this article can be obtained in exchange for the productions of our soil, and from places nearer to our principal ports than Louisiana.

When the act of 1816 was passed, this commodity was much above its *natural* price. It has, since, fallen so much as to be generally considered below it. But the produce of Louisiana can have no other influence in reducing the price of sugar than an equal quantity produced in any other country to which we have access for a

supply. Now, we have before shown, that the utmost accession to the supply of sugar from the protection of 100 *per cent.* granted to Louisiana, is 50,000,000 or 55,000,000 lbs.—about $2\frac{1}{2}$ *per cent.* of the whole annual supply of the article, which, as we have previously stated, is not less than 2,000,000,000 pounds.

We readily admit, that even a quantity so small in proportion to the whole, might have some effect on prices, provided all the sugar lands in the countries to which we can resort for supplies, had been in requisition, so that the 55 millions of pounds additional, furnished by Louisiana, could not have been raised elsewhere. It is notorious, however, that this was not the case; and it is therefore certain, that sugar would have declined to its present rate, even had the cane never been planted in Louisiana.*

* We have already discussed the sugar tax very fully; but having met with the following statement, which throws much light on this question, we have thought proper to lay it before the reader. It was written by a gentleman who is familiar with the subject, and acquainted with the process of cultivating and manufacturing the article.

“DUTIES ON SUGAR. *From the Boston Daily Advertiser.*”

“The question, whether the duty on sugar, of three cents per pound, ought to be reduced, will soon present itself again to Congress, and it is proper that the public should form a correct opinion on the subject. As the revenue, arising from this source, will not any longer be required by the Treasury, or, at least, only for a short time, this duty, which was originally imposed for the revenue, if it be continued, will assume the character of a protective one. As it is for the direct interest of the planters of Louisiana, that this duty should be continued, increasing, as it does, the price of their sugar the whole amount of the duty, it is natural they should be alarmed at the proposal to reduce it, and protest against the measure. It was an ingenious device, to apply to the planters themselves exclusively, for such information as would be necessary to an enlightened and impartial decision. An opponent to the reduction of the duty, might feel confident that the planters would not make so frank a confession of excessive profits, as would induce Congress to reduce them. On the contrary, it would not be uncandid to presume, that they would make a dismal representation of their condition, and deprecate the slightest diminution of this duty, as productive of their ruin. Such representations have, in fact, been made. The House of Representatives having, on the 25th January, 1830, requested the Secretary of the Treasury to lay before them “a well-digested manual, containing the best practical information on the cultivation of the sugar-cane, and the fabrication and refinement of sugar, including the most modern improvements,” he accordingly, last January, reported several communications which he received from the planters, in answer to a circular containing twelve interrogatories. They were published by Congress, and form a pamphlet of sixty pages. The communications received, were from the Central Committee of the sugar planters of the State of Louisiana, the sugar-planters of the parish of St. James, the Agricultural Society of Baton Rouge, J. S. Johnston, Esq., T. Henderson, and T. Spaulding. They give, in few words, the common and familiar information on the origin of the sugar-cane, “its several varieties, and relative productiveness of each.” To the question, relative to the latest improvements in the manufacture, the answer of all is equivalent to that of the Central Committee—“the ancient method is the only one in use. Some planters are engaged in perfecting it.” The eighth and ninth interrogatories relate to the average quantity of sugar from a given quantity of land; the number of negroes required to cultivate it, and the estimated expense of making a given quantity of sugar, and preparing it for market. The answers to these, are the most important to the

Mr. Senator Johnston, in his letter to the Secretary of the Treasury, says ;—" The present price of sugar at 5½ cents is sustained by a

present inquiry. In the subsequent remarks, the writer will rely on such facts only as are admitted in these documents. In order to prevent any suspicion of misrepresenting them, he will state them in the words employed by the respondents.

" Relative to the cost of production, the answers are uniformly the same. The Central Committee say, p. 7—" The sugar, up to the moment it is delivered to the merchant, costs the sugar-planter about 3¼ cents per pound for expenses incurred, without reckoning the interest on his capital." Mr. Johnston says, p. 51—" The present price of sugar, at 5½ cents, is sustained by a duty of 3 cents per pound. If that duty was removed, foreign sugar would be sold 3 cents less, and ours would fall in the same proportion. That reduction would bring sugar below the actual cost, and, therefore, it could not be made, even if slaves and lands cost nothing. A reduction of two cents would bring the price to the exact amount of 3¼ cents a pound, the precise cost of the sugar, independent of the capital, and, therefore, would yield nothing to the cultivator." The Baton Rouge planters say, p. 24—" From what has been said, we still infer, that the slightest reduction of the present duty of three cents on foreign sugar, would cause the total overthrow of all the fortunes in Louisiana." Mr. Spaulding goes beyond the others, and asserts, p. 39—" Cannot believe that sugar can be profitably grown in the United States any where, for a less price than six dollars per hundred." The Central Committee estimate the income of the planter, while sugar has remained at these prices, at only 5 9-100 per cent. on his capital, p. 12. The same result is adopted by Mr. Johnston, p. 57.

" For the sake of argument, let us suppose these statements to be correct. What is the inference? It is clearly that the business is not worth pursuing, considering either the interest of the planter, or that of the public. The public are obliged by the duty to pay in New Orleans, 5½ cents for sugar, which, without the duty, would be worth only 3¼ cents. And for whose benefit is this sacrifice? Is it only that the planters may derive a little more than 5 per cent. upon their capital? For the Central Committee of Louisiana have come to this conclusion, as the average profit of twenty sugar plantations, during the five preceding years, situate in the parish of Plaquemine, " a parish of which the climate is most favorable to the cultivation of the sugar-cane, and the soil not inferior in fertility to that of any other part of Louisiana." (7.)

" While New Orleans sugar was sold at 5½ cents per pound, brown or Muscavado sugar was sold in the West Indies, according to the admission of these documents, at 3 and 3½ cents. (p. 5s.) The fact is known to all commercial men, that it has been currently sold in Havana, Porto Rico, and St. Croix, at 2½ to 3 dollars per 112 pounds; sugar, too, of a quality worth from one to two cents per pound more than that of New Orleans.

" The great arguments in support of the Protective System, or Tariff, do not apply to the sugar duties. The former were laid expressly for protection. It is, therefore, contended, they cannot, with good faith, be withdrawn, after capital has been invested in reliance upon them. The latter were laid merely for revenue, and it cannot be pretended there is any pledge given, that they shall not be withdrawn or diminished. Again—it is alleged by the manufacturers, that their protective duties are laid to support their establishments in their infancy; and that they may be, in whole or in part, dispensed with, when their establishments become mature. But sugar, it is not pretended, will hereafter be made cheaper than it is at present in Louisiana. Complaint is already made that their best lands are nearly exhausted. " Even our alluvial lands," says the Baton Rouge Report, p. 24, " on the banks of the Mississippi, inferior, perhaps, to none in the world, and planted for twenty years past with cane, have become nearly worn out." Further, the planters do not pretend that they can ever compete with foreign sugar. " It will be asked," says the Baton Rouge Report, p. 31, " how the West Indies, after paying the duties, still profit from the exportation of sugar, and that we cannot? The answer is simple. Placed in the most favorable of climates, their crops, throughout the year, are uninterrupted; whereas we have but two months for the rolling of ours. Besides this,

duty of 3 cents per lb. *If that duty was removed, foreign sugar would be sold 3 cents less, and ours would fall in the same propor-*

other causes militate in their favor." Lastly—the Tariff, it is alleged, offers its encouragement and protection equally to all the States and people of the Union. But the cultivation of sugar is confined to a small portion of it, and to a limited number of individuals.

"Let us now examine the principal argument in favour of the continuance of these duties. It is this: that if they are withdrawn, or even reduced, the cultivation must stop, and 45,000,000 dollars invested in sugar plantations, would be lost. In other words, the whole profit of them consists in the extra price which the duty has given; and their value depends upon the disposition of the people of the United States to give three cents a pound for sugar more than it would be worth, if the duty were removed. Is it not obvious, then, that the gain of the New Orleans planter, is the premium paid by the consumer? and that if this gain were diminished, the amount of such diminution would accrue to his benefit?"

"It is far from our wish to cause the ruin of the sugar-planter, nor do we believe that the cultivation would cease on the diminution of the duty. We shall endeavor to show that this species of industry may flourish, supported under a less expense than is now paid by the public. But, admitting the extravagant supposition, that this cultivation would cease, what pretence is there for saying, that the whole capital would be lost? This capital consists principally in land and negroes. Are these of no value, unless employed in the cultivation of sugar, for which the public are obliged to pay a double price?"

"The above remarks are made on the ground assumed in these documents, that sugar cannot be made in Louisiana, for less than 5½ cents per pound, and yield the planter 5-100 per cent. on his capital. Is it credible that he derives only this pittance? If so, the public has been grossly deceived in supposing he has one of the most lucrative employments in the United States. All the accounts of travellers, all the representations of the planters themselves, did, before the proposition to reduce the duties was entertained by Congress, present the most brilliant pictures of the prosperity of sugar cultivation. These pictures were just. To prove them so, let us advert to the facts which are admitted in these documents:—The Baton Rouge Society say, p. 27—"It is supposed the capital employed in sugar works, did not exceed 20,000,000 dollars five years ago, but has gradually increased to 45,000,000 dollars." This amazingly progressive increase, it is believed by the planters, will still continue. Mr. Johnston says, page 57—"It thus appears, that the people of Louisiana, under a confidence in the permanency of the policy of the government, have embarked their fortunes in the production of an article of extensive use; that they are now in the course of successful experiment, which promises, in a few years, to supply the consumption of the country." He adds, in the same page—"Consumption in 1835 will be 175,000, which will probably be supplied in that time from the sugar region." When we remark this eagerness to make investments in sugar plantations, and add this additional fact, p. 27—"That the rate of discount of the banks, with endorsements on mortgage, including charges, amounts to nine per cent., and the greater part of the capital employed in establishing the new sugar plantations has been borrowed," it is very surprising to be informed, that a plantation will produce less than 6 per cent.!

"The society of Baton Rouge have exhibited calculations. They made two Reports; the first, in September, 1829; the second, in September the year following. It will be amusing to look at the figures. In the first, they estimate the value of a plantation of 1,200 acres, 400 of which are planted in cane, at

"The land (p. 23) is valued at 50 dollars per acre, and 80 hands, at 600 dollars. The other objects it is not necessary to quote.

"They state, that each negro cultivates five acres of cane, producing each one thousand pounds, which, at 5½ cents, produces \$275 00
 "125 gallons molasses, at 18 cents per gallon, 22 50

"Making the gross earnings of each negro, \$297 50

tion." He further says that at that rate "*it could not be made even if slaves and lands cost nothing.*"

"The annual expense of such an estate, they say, would be 8,330 dollars, which, divided among the 80 negroes, would be to each 105 dollars 50 cents. This sum deducted from the gross earnings, would leave the sum of 192 dollars 50 cents, as the nett annual product of the labor of each negro! yielding an interest of 10 3-7 per cent. on the capital of 147,200 dollars.

"Let the price of slaves in this estimate, be compared with that in the other states, and the scale on which this and the other valuations are formed, will be conceived. Yet, on this extravagant estimate of the capital, the proprietor derived a profit of 10 3-7 per cent. The same society, however, in their second Report, have thought proper to reduce this profit, and say, p. 24—"From later observations, founded upon experience, and from the facts contained in this letter, we declare that the sum of 192 dollars 50 cents, stated to be the nett produce of one hand, can have reference only to the abundant year of 1828; that, according to more recent and exact calculations given above, we are justified in deducting two-fifths, and thus the mean nett produce, on a sugar farm in Louisiana, of one hand for the space of ten, or at least of five or three years, annually amounts, at the highest calculation, to 120 dollars." This product would give a little more than 6½ per cent. on the capital. Now, it is remarkable that these gentlemen, who, in reviewing their first Report, were so careful to detect the error of their having assumed a very abundant year instead of an average one, have omitted to detect a most gross and glaring one, which has operated materially to diminish the rate of profit. It is this: that, in their first account, which they pretend over-rates their profit, they have allowed only 25 gallons of molasses to a hogshead of sugar. About twice this proportion is stated to be the just one, by all the other reports. For instance: In the Report of the planters of St. James, it is said, p. 16—"From forty to fifty-five gallons of molasses are supposed to flow from each hogshead of good sugar." The revised Report of Baton Rouge having dispelled, as they presume, the suspicion which the public entertained, that the planter was deriving more than six per cent., while he was borrowing money for his investment, at ten—goes on to say, p. 22—"Nearly all the property in Louisiana has been converted, or is daily becoming transformed into sugar farms, under the sole, firm, and natural belief, that the duty on foreign sugar would be maintained as a just reward, and merited encouragement to our fellow-citizens of Louisiana, Georgia, South Carolina, and Florida. The consequence of this transmutation in Louisiana, will be, that her annual produce alone, even in the most unfavorable year, will more than suffice for the consumption of the United States. Thus will the price fall of itself to such a degree, that, were the duty not repealed, the introduction of foreign sugar, by tending to the loss of the speculator, will be rendered utterly impracticable." Again—"Let it (Congress) only trust to the ordinary progress of time, and, in a few years, the reduced price of sugar, caused by its surplus over its consumption, will be equivalent to a repeal of the duty of three cents!" Which assertion of these gentlemen shall we believe, that Louisiana will soon be able to supply the United States at these reduced prices, or that any reduction of the price at present would produce their ruin? If, in a few years, the planters will be able to reduce the price to a degree equivalent to a duty, it requires some assurance to say, that they cannot at present cultivate their plantations, if the duty be even partially reduced.

"In this discussion, I have confined myself strictly to the reports and the language of those interested in the permanence of these duties. Their cause appears to me so untenable, that it has not been difficult to find, in their own arguments, inadvertent admissions, which serve to confute them. It is painful to read these reports, exhibiting as they do, the fallacies which self-interest tempts men to impose upon others, and sometimes even on themselves. But there are points in which the reader may be deceived. It is admitted that sugar land, and negroes in Louisiana, are exceedingly dear. This is unguardedly stated by the planters, for the purpose of proving that they cannot sell their sugar under 5½ cents. The converse of this admission is beyond dispute. If sugar did not bring a high price beyond the cost of cultivation, plantations would not be

In the face of authority like this, we hear assertions that we shall shortly produce sugar for export; and we are now gravely told on the authority of the 525 members of the Tariff Convention at New York, that our protecting duty has reduced its price.

We have endeavored to show the causes of the fluctuations in the price of sugar. The same reasoning will apply to the prices of cotton and woollen manufactures, bar-iron and all other articles which have been affected by the protecting system. The manufactures of cotton, in which labor-saving machinery has been so much applied, are those which have declined the most in price since 1816. This article is the most frequently instanced as evincing the benefits of the prohibitory system, and the fall in its price has been chiefly ascribed to the increased competition of our manufacturers with those of similar fabrics in Europe.

Let us inquire into the extent to which cotton manufacturing is promoted in this country by the existing duties, and its probable extent, were the rates of duty reduced to the revenue standard. We will, as in former instances, take the facts on which this question depends, from authorities entitled to the entire confidence of our opponents.

The writer of the article in the *Encyclopædia Americana*, to whom we have before referred as one of the most intelligent, practical manufacturers in the country, states the consumption of cotton at 35,000,000, lbs., producing 140,000,000 of yards, of which about 10,000,000 are exported, and upwards of 20,000,000 are printed. The value produced is 12,000,000 dollars *a* 14,000,000 dollars, and the capital employed is 25 *a* 30,000,000 dollars. This statement is subsequently corrected, in a defence of the article, and the quantity of cotton annually consumed is increased to 50,000,000 lbs. We apprehend that even this latter quantity is an under-estimate, and that the consumption of the whole United States may amount to 70,000,000. A considerable quantity of the raw material is still manufactured in the household way, and this branch

so dear. And when a man can get ten *per cent.* for his money, with good security, he will not invest it in a sugar plantation, unless he believes he will derive a much higher interest.

"It is said that the circumstances of the planters are embarrassed. This is no doubt true; and, considering the usual character of their engagements, the fact could not be otherwise—nearly half the plantations in Louisiana, we have seen, have been purchased with borrowed capital within five years. The prices paid have been high, according to that of sugar. The fall in the sugar market has disappointed these new purchasers, and prevented them from fulfilling their engagements. But the planters who have paid for their estates, are exceedingly rich, and prosperous. The embarrassments of the planters have arisen from their imprudence in engaging to pay too much both for their estates, and their money borrowed. There was the same spirit of adventure, and the same embarrassment when sugar was sold at eighteen cents per pound. These evils do not depend upon the actual price of sugar, and no duty can be protective against them."

of manufacture, whether of cottons or woollens, is certainly not dependent on the protecting system. On the contrary, it is injured by it, by reason of increased taxes on the various materials used for these fabrics, the increased cost of machinery, and of many of the comforts and conveniences of life, increasing the cost of production, and lessening consumption. In estimating the production of the cotton manufactures at 12 a 14,000,000 dollars, we apprehend that the writer of the article in question must have had in view the amount made by labor-saving machinery, though he refers to the whole quantity of the raw article manufactured. In a former part of this report, we have estimated the whole amount of every description of domestic cotton manufactures, at 33 a 34,000,000 dollars.

Now the only way in which the protecting system can have operated in reducing the prices of goods, is, by increasing the quantity of the article in those markets to which we can resort for a supply; not in this country only, but in all others to which we have access; and the prices will be regulated by the cost of production in those countries where the article can be produced cheapest. For cotton goods, that country is Great Britain.

The quantity of cotton goods made in Great Britain, varies from year to year, and no very accurate estimate can be made. It will, however, be within bounds to call the whole sum 200,000,000 dollars annually, since they export from 80 to 100,000,000 dollars. The manufacture of cottons in the rest of Europe * cannot be less than 200,000,000 dollars, and in this country, it is upwards of 30,000,000 dollars. The question now is, what amount of our cotton manufactures is dependent upon high duties? Mr. Appleton

* We have taken no notice of the cotton manufactures of Asia, though they may be considered as constituting a portion of the supply of the world. From the cheapness and superior quality of British fabrics, however, few of them find their way westward of the Cape of Good Hope. The quantity made in this quarter of the world cannot be estimated from any published data; but from the immense population who are clothed in them most of the year, they may equal in value the cotton fabrics of Europe.

Much has been said of the beneficial effects of the "American System," arising from the increased consumption of American cotton, consequent upon the non-importation of the cotton fabrics of Asia. But the argument is founded upon a misapprehension of facts; and, if it were otherwise, is utterly insignificant in its own results, as regards the bearing it has upon the consumption of American cotton. We have before us an authentic statement of our importations of East India cotton manufactures for twelve years prior to the operation of the high duty system; and allowing for the re-exportation, there were not over nine or ten thousand bales of Asiatic cotton goods consumed in this country, and the material required for their fabrication would fall short of one per cent. of our annual cotton crop.

The consumption of Asiatic cottons would have ceased without the existence of exorbitant duties on our manufactures; for long before the first protecting act, the labor-saving machinery of Great Britain had driven them from the European markets, and British fabrics were sent in considerable quantities to all parts of Asia. At this moment it is one of the largest markets which that country has for her cotton manufactures.

affirms, that the rates granted in 1816 (which on coarse goods were equal to only about one-third of the present ratio of duty), were double what were necessary for the protection of our manufacturers; and the writer of the article in the *Encyclopædia*, declares, that, with the exception of the finer goods constituting but a very small part of our consumption, little or no protection is required.

From these data, we think it would be reasonable to infer, that our system of high duties has not been the means of extending the manufacture of cotton goods more than 5 to 7,000,000 dollars beyond the amount which would have been made under a moderate duty for revenue. This is 1 to $1\frac{1}{2}$ *per cent.* on the whole production in those markets, to which we can resort for a supply. We are aware that this presents the matter in a light in which it is seldom contemplated by men not conversant with mercantile concerns; but it cannot vary so much from the truth, respecting the comparative quantity of goods made here and in other markets, as to affect our conclusion: so, likewise, with regard to woollens, the price of which is regulated by the cost of production, and the supply, as compared with the demand, of all that are manufactured in the countries to which we have free access. The amount of this fabric produced in Great Britain is not much, if any, less than that of cottons; and in all Europe, the total annual value of this manufacture cannot come short of 1,000,000,000 dollars, while our domestic woollen manufactures are estimated at about 59,000,000 dollars; and of this amount not more than 6 to 8,000,000 dollars can be considered dependent upon the protecting system.

But, say our opponents, who maintain that home competition has reduced the prices of the protected articles, the diminished demand for the United States market; in England, from whence we obtain most of our supplies of cottons and woollens, has been the cause of the fall of these articles in that country; and in this way they would sustain their maxim, that taxation lowers the price of the article taxed. But what is the amount of the cottons and woollens forced into existence in this country by protecting taxes of 25 to 225 *per cent.*, compared with the amount produced in England, whence we get our cheapest supplies?

Our average purchases of cottons and woollens, in Great Britain, for consumption, under the existing duties, amount, in the aggregate, to 12 a 14,000,000 dollars. Under a revenue system, this might be increased 8 a 10,000,000 dollars. We say, might be increased to this amount, but we by no means think it certain that this would be the case. The relief afforded to our manufacturers, by a reduction of duties on materials for their fabrics; the reduced expense of living and the various advantages of a free trade system, would, we think, after a few years, again reduce our importations of these arti-

cles to their present amount. It is true the price of domestic goods would fall; but the manufacturers could afford them cheaper.

This 8 or 10,000,000 dollars in cottons and woollens, which we estimate that we now take from Great Britain, less than we should take under a free trade system, is 2 a 2½ *per cent.* on her annual production of both of these articles, which we have before shown to be about 400,000,000 dollars. So small a proportion cannot, certainly, be considered as having an important bearing on the prices of that country. No one, acquainted with the manufacturing resources of Great Britain, can doubt, that, if our duties had never been raised beyond revenue rates, any deficiency of domestic manufactured cottons and woollens would have been supplied by an extension of similar manufactures in that country; and consequently, the supply in our market would have been as abundant as it has been; and the prices as much lower than they now are, as the rates of duty, necessary for revenue solely, are below the existing rates.

We now come to the effect which the increased production of American bar-iron is alleged to have had upon the prices of foreign iron; and nothing can exhibit in a stronger light the spirit of exaggeration and assumption which runs through the New York Address, in common with all the essays and speeches in favor of restriction, than the remarks upon this subject. "The efforts of the English manufacturers," says the Address, "to destroy the American manufacturer of iron, and possess themselves of our market, have occasioned extensive bankruptcies amongst them in England, and reduced the price of iron considerably below the cost of manufacture; inso-much that a convention of iron-manufacturers, recently held there, resolved to reduce the quantity made 20 *per cent.*, throughout the united kingdom."

From this statement it would seem that Great Britain depended on this country for the sale of a half, or quarter, or some large proportion of her iron. From reference to several of the Treasury Reports, we find that the average quantity of British bar-iron consumed in this country does not exceed 8000 tons, being a little more than 1 *per cent.* on the annual production of Great Britain. The quantity produced there in 1827 was 690,000 tons, and it has undoubtedly increased since that time. Were the duty on British raw iron reduced to 25 *per cent.* (the present rate on iron manufactures), its consumption would without doubt be increased,—but not so much as to affect this branch of manufacture in England. The fall, then, is rightly attributed to over-production, and diminishing that production is the proper remedy.

Let us compare the whole amount of the production of American bar-iron, with the supply of iron in those markets where it can as easily be obtained by most of the consumers as by sending into the interior of the iron-producing States for the home-made article.

The production of France and England we have already stated to be upwards of 900,000 tons. These two countries contain about one-fourth of the population of Europe ; but, as they have the means of using more of the conveniences of life, it would not be reasonable to estimate the consumption of the rest of Europe at the same rate. It certainly would be within bounds to place the consumption of Europe at 2,000,000 tons.

There are no means of ascertaining, with precision, the quantity of bar-iron made in this country ; the most accurate statements make it 35,000 tons, whilst others carry it up to 40 a 50,000 tons. Were this whole quantity brought into existence by the protecting system, it constitutes so small a proportion of the whole quantity produced, that, had the ore remained in its bed, no great effect would have been produced on the prices in those markets which are always open to us for a supply. But, in truth, there is no reason to suppose that high duties have increased the quantity of home-made iron ; because it will not be denied that immense fortunes were made by the iron-masters, while the duties were $7\frac{1}{2}$ to 15 *per cent.*

The duties of 40 a 150 *per cent.* on raw iron, impose a tax to that extent, upon the consumers of that necessary article ; and instead of giving increased employment to domestic capital and labor, deprives of their employment five times as many manufacturers of iron and iron ware as the whole number of persons employed by the iron-masters. To tax the raw material 40 to 150 *per cent.* for the benefit of a few hundred wealthy men, while the manufactured article is admitted at 25 *per cent.*, to the prejudice of an immense number of the laboring classes, is one of the modes by which the "American System" proposes to promote domestic industry.

Thus it will be seen, that, in every instance where this system is pushed home to its practical consequences, it does result, and it always will result, in a taxation on the many for the benefit of the few. And there is no part of the whole system in which its impolicy and injustice are exhibited in a stronger light than in *the tax on raw iron.*

We have thus attempted to show, both by facts and argument, that the fall of prices, which has been ascribed to our high Tariff, arises from causes entirely independent of it. Duties have been increased, and the prices of most articles have, nevertheless, fallen, *because the cost of production and transportation of foreign articles has declined to a greater extent* than the duties have been increased. The merchant has thus been enabled to furnish the foreign articles, which must regulate the prices of the domestic protected articles, at lower prices than before the augmentation of duties.

We have not thought it necessary to go through the long list of articles heavily taxed by the existing Tariff ; such an investigation would occupy more time and more room than can be spared ; but it would be easy to show, that, in all cases where they have fallen in

price, the reduction has arisen from the same causes, which have lowered the prices of cottons, woollens, bar-iron and sugar ; namely, an increased supply at a diminished cost, not in this country alone, but in the markets of the world, to which we can resort for supplies.

On the other hand, as a further evidence that increased competition, occasioned by our protecting system, has not produced a fall in the cost of foreign productions coming in competition with similar domestic productions,—there are instances in which the foreign articles have risen, instead of fallen in price. For example, the cost of clear hemp in St. Petersburg, in 1816 and 1817, prior to the operation of our protecting system, was, on the average, 104 dollars per ton. By the act of 1828 the duty was raised from 35 to 60 dollars per ton, and yet the average cost of clear hemp at St. Petersburg for 1829, 1830 and 1831 has been 136 dollars per ton. Now the quantity of hemp raised in this country bears a much greater proportion to that grown in those countries whence we obtain our supplies, than do the woollens, cottons, sugar and iron produced here compared with the imports ; and upon the principle of competition contended for by our opponents, its culture should have reduced the price of all kinds of hemp, both foreign and domestic ; but foreign hemp bears a higher price in our markets, than it did before the increase of duty in 1828, and is 60 dollars per ton higher than it would be, but for the existence of that duty.

As to the domestic hemp, which has been so highly protected for the purpose of drawing support to the taxing system from the Western section of the Union, its quality is so poor that not only do the navigating interests prefer the foreign hemp, loaded as it is with exorbitant duties, amounting with other charges to nearly 100 *per cent.* on the cost, but it is rejected by the agents of the present and former administrations of government.

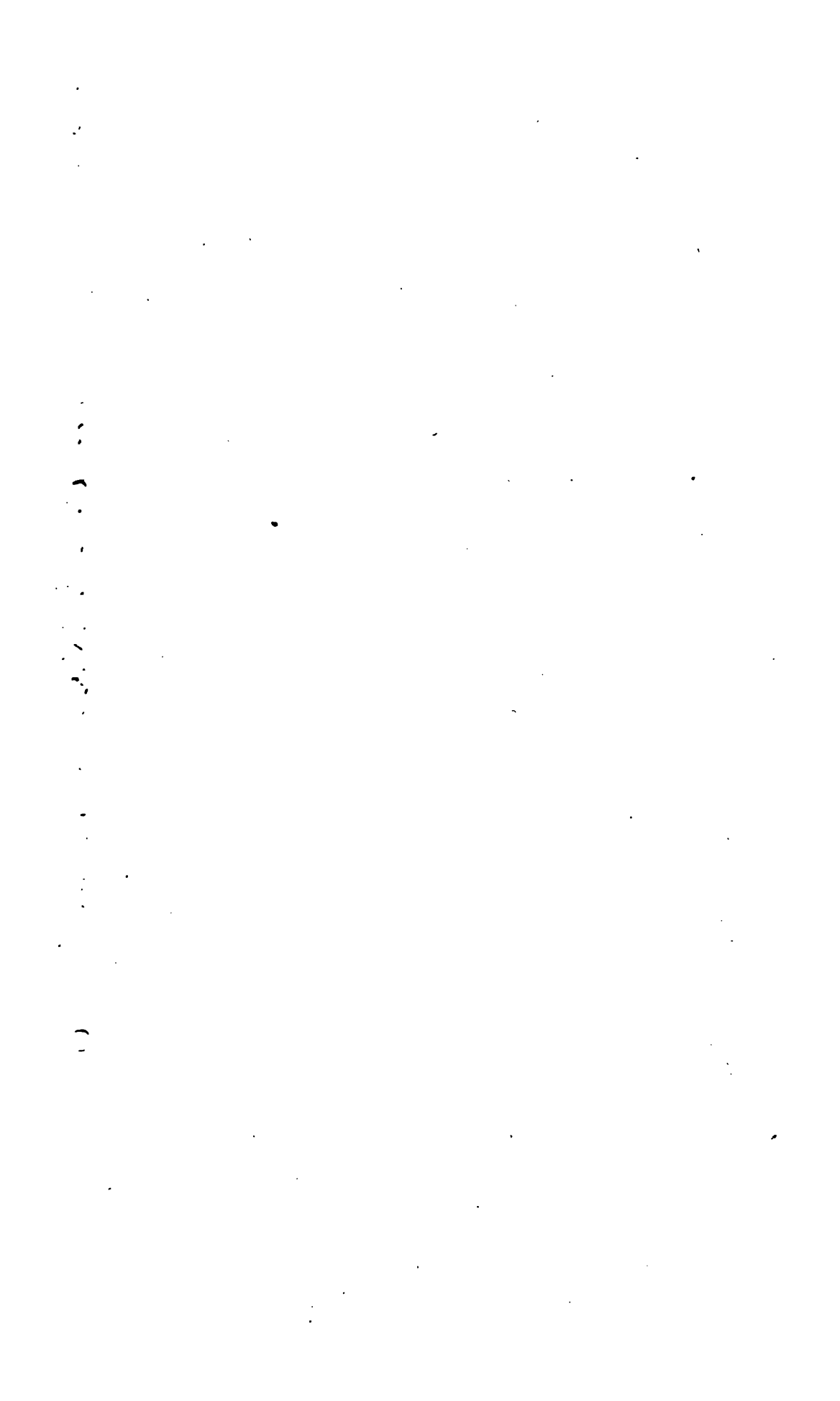
Having admitted the fall of most of the protected articles, and having shown that the true causes of this fall were to be found in the still greater fall of similar foreign articles in those markets whence we can supply ourselves, it may be asked to what cause are to be attributed the decline of prices abroad ? To this, we answer, the fluctuations in the prices of goods throughout the world, since the commencement of the protecting system, may be attributed to overproduction and deficient supply ; to a return from an unsound to a sound currency ; to the alternations of an enlargement or contraction of the circulating medium ; to rash speculations succeeded by glutted markets and revulsions of trade, and these, again, followed by stagnation, depression, discredit, and universal distress.

The *permanent* causes, however, of the decline of prices since the restoration of peace to the wealthy, civilized and industrious nations of Europe, and which may be considered as the necessary consequence of such a change of circumstances, are to be found in the

vast accession of capital and labor to every species of productive industry ; the consequent reduction in the prices of raw materials ; the abundance and cheapness of living, attendant upon the return of peace, which have increased population and capital, necessarily producing a decline in wages, the reduction of interest of money and profits of trade ; and further, the substitution of machinery for a large portion of the manual labor formerly employed in manufacturing. To these active and efficient causes of a decline in prices, we may add an increased application of science, skill, industry, economy and general good management to the business of agriculture, commerce, navigation, to the manufacturing, mechanic and all other arts connected with and aiding those great branches of industry on which the cost of the most important staples of production depends.

These, too, are the causes of the fall in prices * of those commodities produced in this country, which have received encouragement from the protecting system. That most articles have fallen is agreed on all sides ; and it is equally undeniable that they would have declined still lower, but for the enactment of these high duties, which have, in a great degree, deprived the nation of the benefit of foreign competition.

* For an elucidation of this subject, the reader is referred to a work on "Currency," and another upon the "Fall of Prices," by Thomas Tooke, one of the soundest and most perspicuous writers in England, and practically acquainted with the important and difficult questions he has undertaken to discuss.



TAXES ON SHIPS.

THERE is no species of injury, to which the people of this country are more alive, than unjust, unequal, and unnecessary taxation. But the burdens imposed by the existing Tariff come to them in such an indirect way, that, to a large majority of the nation, they are wholly invisible. If a farmer, mechanic, or manufacturer, were convinced that all his working tools, machinery, and agricultural implements, were taxed 20, 30 or 50 *per cent.*, merely to promote the interests of a few hundred wealthy Iron masters, would he not complain of the tax? If the fact were demonstrated to him, that, every time he expends one hundred dollars for these instruments, by which he gains his daily bread, he pays from 20 to 50 dollars beyond what he would pay had the nation never departed from that liberal, wise, and just policy, established by Washington and his counsellors, maintained by the elder Adams, persevered in by Jefferson, sustained and supported by almost every statesman of any eminence, in whose knowledge, wisdom, and political integrity the nation has had reason to confide,—would he not consider himself injured and oppressed by such a taxation?—a taxation imposed upon the poor and industrious classes, for the benefit of some of the most wealthy men in the nation, who are reposing in luxury and idleness at their expense. If, in addition to this partial and heavy taxation on their working implements, it were demonstrated to the mechanics, manufacturers, and farmers of this country, (as may easily be done by any one, who will examine the bearings of the existing Tariff on the great interests of the nation,) that they pay from 10 to 50 *per cent.** on molasses, salt, sugar, cottons, woollens, linens, glass,

* Mr. Justice Story, in the Memorial drawn up by him for the inhabitants of Salem, against any further addition to the duties of 1816, says:—"Why should the farmer, the planter, the merchant, and the laboring classes of the community be taxed, for the necessities of life, a sum equal to more than one quarter part of the whole expenditure on those objects, that the manufacturers may put this sum into their own pockets?" This gentleman, in writing that document, had the means at hand of obtaining the most accurate information on this point. Now if the "American System," in its infancy, taxed the laboring classes 25 *per cent.* of this expenditure, how intolerable must it be since the duties on the articles he had in view, have been more than doubled!

spirits, wine, oil, slates, coal, paper, books, and many other necessities and comforts of life :—and if they were convinced that this taxation was not imposed for the purposes of revenue, but to gratify the cupidity of one class of men and the ambition of another—would not this numerous and respectable body of men consider such a system, under whatever plausible name it might be disguised, unjust and intolerable? Would they not, by a simultaneous and vigorous effort, remove from the halls of Congress men, who, through ignorance or design, have so long exercised that power which was granted them for the preservation and promotion of the general welfare, chiefly for the protection and promotion of the pecuniary and political interests of a small, but powerful class of men, whose pretensions are utterly at variance with the rights and interests of the great mass of the people?

Such, as we have described, however, is the effect of what is termed the “American System;” a system which cannot accomplish the objects of its most strenuous supporters, without imposing a tax on millions for the benefit of thousands. And though it may be, and in fact is, so disguised in its form and movements, that comparatively few can trace out its consequences; still, the evil is not the less real, and it must be remedied, or this nation will be defeated in the principal object it had in view in forming the confederacy, under a constitution, which, however otherwise construed by some of its modern expounders, was intended to secure to every State and section, and to every individual, a perfect equality of rights, and consequently an equal distribution of the benefits, as well as burdens, incident to a free government. The “American System,” on the contrary, by legislative enactments, drains the pockets of the poor into the purses of the rich; and cannot accomplish its intended purposes unless that object be attained. We do not say there are not many who advocate this system with a most sincere belief that it is promotive of the general welfare; but the leading, influential, and most efficient supporters of the system, are not among those, who are under such a delusion. We have the best evidence of this in their recorded opinions, formed and expressed before their feelings and judgments were influenced and swayed by the enormous profits, which they have realized.

Exorbitant as are the taxes actually paid by the people, in consequence of the restrictive and high duty system, few, comparatively speaking, of those on whom the burden falls the heaviest, are able to estimate the amount of this tax on the cost of those articles of daily use and consumption, the prices of which are much enhanced by the existing duties. Let us, then, endeavor to bring home to the apprehensions of our readers, and to their personal interests, the operation of the Tariff, in the increased cost of an article of manufacture, consequent upon the taxes paid on the principal materials used in its formation. We mean that manufactured *domestic fabric*,

composed of wood, iron, cordage, cloth, &c. which we understand by the term *ship*. This object has been selected, first, because we have, through the aid of many intelligent men, the means of obtaining the most accurate information respecting it; and secondly, because, among the many inconsistent positions of our opponents, it has been maintained, that a system calculated to increase the cost of shipping and to destroy its occupation, has proved beneficial. The address of the Tariff Convention before us, declares, "That among the good effects of the 'American System,' is that of its having caused commerce and navigation to flourish beyond all expectation;" which assertion as we shall hereafter show, is grossly erroneous. 3d. We have chosen this kind of domestic manufacture, which employs an immense number of manufacturers, mechanics, and labourers, to show, that, while the high duty system gives additional occupation to one class of men, who would be as well or better employed without these duties, it excludes another class from an occupation highly beneficial to the country;—a class who have never asked nor received any governmental bounties, nor any other protection than what it was for the interest, not of the merchants only but of the nation, to confer. On this point we are sustained by an authority our opponents will be the last to undervalue or to deny. "Much has been said of the protection which the navigation of the country has received," observed Mr. Webster, in his defence of the Tariff act of 1828, "from the discriminating duties on tonnage and the exclusive enjoyment of the coasting trade. In my opinion, neither of these measures has materially sustained the shipping interest of the United States. I do not concur in the sentiments on that point, quoted from Doctor Seybert's Statistical work. Doctor Seybert was an intelligent and worthy man, and compiled a valuable book; but he was engaged in public life at a time, when it was more fashionable than it has since become, to ascribe efficacy to discriminating duties. The shipping interest in this country has made its way by its own enterprise. By its own vigorous exertion, it spread itself over the seas, and by the same exertion it still holds its place there. It seems idle to talk of the benefit and advantage of discriminating duties, when they operate against us on one side of the ocean, quite as much as they operate for us on the other."

This is unquestionably a correct view of the discriminating duties, formerly existing in favor of American shipping. They were not granted to secure a monopoly to our own navigation, and thus to compel the nation to pay an extra price for the transportation of our commodities, but upon political grounds, and as a countervailing measure to meet similar acts on the part of foreign nations; and, at the same time, as a means of compelling them to rescind their restrictions on our shipping. When this was effected, the discriminating duties on our side were repealed. The object, then,

of these laws has been, to liberate commerce and navigation from the restraints imposed upon them by foreign nations, and thus to bring foreign ships into competition with our own. And such have been the effects of those measures.

We beg to call the attention of our readers to this distinction between the principle on which the discriminating duties were passed, and that on which the prohibitory duties are founded. The object of the first, was, to restore commerce and navigation to freedom, and to place foreign shipping, and foreign capital employed in commerce, on a footing with our own, that the nation might be benefited by the competition. The object of the exclusive and high duty system, is, to prevent foreign goods from coming into the country, and thus to deprive the nation of the benefit of foreign competition.

We repeat, then, that the discriminating duties on foreign shipping, were not established with a view to the protection of the American ship-owners, but merely as a retaliatory measure, to compel other nations to place our shipping on a footing with their own. On this being done, as is well known to every intelligent merchant, our government has, in every instance, repealed the discriminating duties, and thus enabled the English, the French, and other rival commercial nations, to enter into successful competition with our own ship-owners;—the effect of which has been to reduce the rates of freight below what they otherwise would have been. In this assertion we are again supported by Mr. Webster, in the speech from which we have quoted, and in still stronger terms in his speech of 1824, from which we make the following extract:—"I would again urgently solicit its [the committee's] attention to the consideration of that interest. We are told that government has protected it by discriminating duties, and by an exclusive right to the coasting trade. But it would retain the coasting trade by its own natural efforts, and in like manner, and with more certainty, than it now retains any portion of the foreign trade. The discriminating duties are now abolished, *and while they existed, they were nothing more than countervailing measures; not so much designed to give our navigation advantages over that of other nations, as to put it upon an equality; and we have, accordingly, abolished ours, when they have been willing to abolish theirs.*"

We have thought it necessary to deviate from the subject more immediately under discussion, because one of the points most relied upon by our opponents, as affording a justification of the protecting taxes in favor of manufactures, has been this precedent of discriminating duties on tonnage and merchandize. The New York Tariff Address refers to the subject in the following terms:—"On what foundation does the whole system of the coasting trade stand? The

American ship-builder and ship-owner has enjoyed, from the first, and we think properly, not only protection in that trade, but the monopoly of it. He shuts out all foreign competition, and he does so on the ground that the public good is promoted by giving him this advantage. We think he is right in asking this, and the government right in granting it. Yet this is not free trade; it is preference; it is protection, and protection of a manufacture under the power to regulate trade." Again—"The United States could not share their coasting trade with England without disadvantage. The most extravagant advocates of free trade, it is believed, have never yet dreamed of sharing our river trade with foreigners. To throw open the Ohio and Mississippi, the Hudson and the Delaware, to British, French, and Dutch navigation, would be of no advantage to our own." Again—speaking of the exercise of the protecting principle, the Address proceeds;—"It is not new; the principle was applied, as we have already stated, to our navigation, from the establishment of the Federal Constitution, prohibiting the foreign shipping from the coasting trade altogether, and imposing a high discriminating duty on foreign tonnage."

With regard to the protection to the shipping engaged in the foreign commerce of the country, we have shown, on the authority of Mr. Webster, that it never received any other legislative aid than to place it on the same footing with foreign tonnage, by imposing such taxes on foreign ships, as our own vessels were compelled to pay in foreign ports. This has not given the ship-owner any privileges at the expense of the nation, nor did it impose any restriction on commerce. It merely met taxation by taxation—not to restrict and restrain trade, but to make it more free; and such has been the effect of these countervailing duties.

So in respect to the coasting trade; nothing can be more unreasonable and absurd than to pretend that this branch of industry does at this time, or has at any former period, derived any benefit from protecting laws. The coasting trade may be considered as part of the *internal trade* of the country, and is so viewed by the authors of the Address, when they speak of the navigation of our rivers, *which they consider as secured to us by the American System.* Is there any man of reflection, however inexperienced in such matters, who can for a moment believe that any part of our coasting trade would be carried on by foreigners, were there no laws to exclude them from it? It might with equal reason be alleged that the stage coaches and baggage waggons owe their occupation and prosperity to the protection secured to them by the "American System." The coasting trade of every commercial country, even in time of war, must be carried on by its own citizens; and if foreigners were at any time to believe that our coasting trade could be managed with greater advantage by themselves than our own citizens,

they would, were they to engage in it, become part of the nation ;—and there is no law to prevent their doing this.—Let us, however, refer again to Mr. Webster, who has treated this subject with that clearness and ability characteristic of all his reasonings, unless when enlisted in a cause where no human ingenuity can find materials to frame an argument that does not, like the reasonings in the New York Convention Address, rely on false assumptions for its support. “ Still less reason is there for the idea,” says Mr. Webster, in his speech in 1828, “ that our ship-owners held the exclusive enjoyment of the coasting trade, only by virtue of the law which secures it to their exclusive employment. Look at the rate of freights ; look at the manner in which this coasting trade is conducted by our own vessels, and the competition which subsists between them. In a majority of instances, probably, these vessels are owned in whole, or in part, by those who navigate them. These owners are at home at one end of the voyage ; and repairs and supplies are thus obtained in the cheapest and most economical manner. *No foreign vessel would be able to partake in this trade, even by the aid of preferences and bounties.*”

We now proceed to lay before our readers a statement furnished by an experienced merchant and ship-owner, who, by his intelligence and enterprise, has been among the most efficient promoters of those great improvements in ship-building, and the skilful and economical management of ships, which have enabled our merchants to pursue a successful competition with our more wealthy commercial rivals ;—and that, too, though burdened with taxation and restrictions greater than are imposed on the shipping of Great Britain, and which, as we shall hereafter show, have reduced the amount of our import and export trade below what it formerly was, with half our present wealth and population—and infinitely below what it would have been had the nation never departed from that just and wise policy, established and acted upon under those administrations of our government, the most distinguished for wisdom and patriotism.

There is, indeed, no class of men in this country, whose interests have been so little cherished, so much disregarded, and so unjustly sacrificed, since 1816, as those of the merchants and ship-owners, who, however, ask for no favors. To use the expressive language of Mr. Webster, “ the shipping interest of this country requires only an open field and fair chance. Every thing else it will do for itself ; *but, it has not a fair chance, while it is so severely taxed, in whatever enters into the necessary expense of building and equipment. In this respect its rivals have advantages which may, in the end, prove to be decisive against us.*” Nothing can be more just than these remarks of Mr. Webster. The merchants and ship-owners never have asked any other favor from government than to be left to a free competition with all the world ; and this is all

they now desire. The sugar planter, iron master, and cotton and woollen manufacturers, want to be compensated, and are compensated, by a burdensome taxation on their fellow-citizens, *because they employ domestic labor and capital*. But the commerce and navigation of the country employ twenty times the amount of domestic labor and capital that the favored manufactures do; yet, instead of receiving or asking for bounties, they are burdened, enormously burdened, with taxes and restrictions. Is this conformable to the spirit of our Constitution, which was intended to guarantee equal rights and privileges to all?

The following is a copy of the schedule of the materials used in the construction of a first-rate ship of 418 tons, with the amount of duties levied on them by the existing Tariff. It is not a conjectural estimate, but an accurate statement of the articles actually consumed in the building of a particular ship, superintended and owned by the gentleman from whom we received the information.

Tons. cwt. qr. lbs.			
Baltic Iron, 11 12 2 24	at \$22,40	- - - -	\$260,64
English do. 5 16 1 12	at \$37	- - - -	215,26
Iron chains for sheets, ties, &c.	956 lbs. at 3 cts.,	28,68	
Iron for trusses, 800 lbs.	at 1 ct.	8,00	
			\$36,68
Chain cables, 20340 lbs.	at 3 cts.	- - - -	\$10,20
Copper bolts, 5831 lbs.	at 4 cts.	- - - -	\$233,24
Composition spikes, &c.	3178 lbs. at 9d. £119 3s. 6d. sterling	} Duty 25 per cent. ad valorem	145,51
Anchors, 4916 lbs.	at 2 cts.		
Lead, 1455 lbs.	at 3 cts.	- - - -	43,65
Hemp,* 10½ tons,	at \$60	- - - -	\$630,00
Sail cloth, 78 pieces,	at \$3,27	- - - -	\$255,06
Half duck, 9 pieces,	at \$3,23	- - - -	29,07
Ravens duck, 27 pieces,	at \$3,07	- - - -	82,89
			\$367,02
White lead, 709 lbs.	at 4 cts.	- - - -	28,36
Linseed oil, 35 gallons,	at 25 cts.	- - - -	8,75
Salt, 40 hhds.	at \$2,20	- - - -	88,00
Ship chandlery, &c.	- - - -	- - - -	75,80
			\$200,91
			\$2841,43
Equal to \$6,80 per ton.			

It may perhaps be alleged, by those who are disposed to deny the accuracy of our statements, that we have selected an extreme case. But such is not the fact, as we have other statements, from experienced ship-owners and ship-builders, which concur, in their results, with the one we have adduced. It is true, however, that in

* If foreign cordage had been used, as is often the case, this item should be 12 tons of cordage, at 4 cts. per lb., \$1075,20.

vessels of an inferior quality, a smaller quantity of materials is used, which would lower the estimate. But, on the other hand, the smaller vessels use a larger proportion of the taxed materials. A vessel, for instance, of 200 tons would require 5-8ths as much iron, copper, cordage, canvass, &c., as one of 400 tons; and as you descend in size, the proportion will be still greater.

This is a heavy tax on the first cost of so useful and important a manufacture. But the evil does not end here; since the annual depreciation of the equipment of a ship, requiring constant repairs, imposes an annual tax, to which must be added the interest of the capital involved in this taxation, and the premium of insurance. We will, then, take the average duration of a ship at twelve years, and compute the amount, to the end of that period, of the duties actually paid on the materials used in her construction, together with the interest and premium of insurance on the same, and the annual amount of duties paid on the articles used to keep her in common sailing condition. This will exhibit a view of the aggregate taxation imposed on our navigation by the Tariff law of 1828.

Duties on first cost, per statement,	- - - - -	\$841.43
Premium of insurance, at 5 per cent.	- - - - -	142.07
Interest for 1 year, at 6 per cent.	- - - - -	170.48
Cost at the end of 1 year,		\$3153.98
Premium of insurance, at 5 per cent. on original sum,	- - - - -	142.07
Interest for 1 year, at 6 per cent. on \$3153.98,	- - - - -	189.24
Cost at end of 2 years,		\$3485.26
Premium for 1 year as above,	- - - - -	142.07
Interest for 1 year on \$3485.26, at 6 per cent.	- - - - -	209.12
Cost at end of 3 years,		\$3896.45

Following up this calculation to the end of twelve years, the whole amount paid will be \$8114.21.

In estimating the annual tax, we assume that the sails of a ship must be replaced every three years, and as the duties on the sail-cloth amount to \$167.02, one third will be			\$122.34
Duties on annual consumption of 2 tons of hemp, at \$60,	- - - - -		120.00
Do. on paints, oil, iron, chandlery, &c.	- - - - -		50
End of 1 year,			\$292.34
Premium of insurance, at 5 per cent.	- - - - -		14.62
Interest on \$292.34, 1 year, at 6 per cent.	- - - - -		17.54
Duties on consumption, 1 year,	- - - - -		292.34
End of 2 years,			\$616.84
Premium of insurance, 5 per cent. on original sum,	- - - - -		14.62
Interest on \$616.84 1 year, at 6 per cent.	- - - - -		37.01
			\$668.47

Amount brought forward, - - - - -	696,47
Duties on consumption 1 year, - - - - -	292,34
End of three years, - - - - -	\$990,81

The whole amount, therefore, at the end of twelve years, will be found to be \$4858, 27. We have shown the duties on the materials used in the construction of a first-rate ship of 418 tons, to be \$2841,43; and that the interest and premium of insurance on this sum for twelve years, being the average duration of a first-rate ship, carry up the whole sum to \$8114,21. But, as a portion of the shipping has a smaller quantity of the taxed materials, and as some of the duties in the Tariff may not operate so heavily as the rates standing against the several items here exhibited, we will take $\frac{2}{3}$ ths of \$8114,21 for an average, equal to \$6085,66

The wear must be the same on an ordinary vessel, as on one of the first class. Therefore we take the full sum, - - - - -	\$4,858,27
	\$10,943,93

A tax of \$10,943,93 upon a single ship, and for twelve years only, is, it will be admitted, an exorbitant sum; and probably there are few, even among the ship-owners, who are sensible of its magnitude, so accustomed has this class of men become to the existing system of taxation; and yet we are convinced that the sum estimated falls short of the taxes actually levied on this great branch of industry; an interest, which, as Mr. Webster remarked, in his speech of 1828, "lies at the very foundation both of our commercial prosperity and our naval achievement."

The sum of \$10,943,93, being the amount of taxes on 418 tons, a little exceeds 26 dollars per ton, and applied to the whole tonnage of the United States, which, according to the last returns, was 1,260,797 tons, amounts to \$33,009,746,—as a *direct tax* imposed on our shipping, in the space of twelve years. Can it be a matter of surprise to any one, to find, that our navigation has fallen below the quantity we possessed with half our present population and less than half our wealth, oppressed as it is by such taxation, and suffering by the diminished occupation, consequent upon a reduction of imports and exports, caused by the prohibitory system?

The two great commercial nations, which at present engross the carrying trade of the world, even to a greater extent than during the war in Europe, are Great Britain and the United States; and our ship-owners have for some years felt the effects of British competition very severely. For, the moment freights advance to a rate which will give the American ship-owner a fair compensation for his capital and labor, our ports are crowded with British shipping; and even a moderate addition to our own shipping has a most material bear-

ing on freights. This, however, the American ship-owner could well endure, were he as lightly taxed as the British ship-owner.

Let us now endeavor to make an estimate of duties paid on the materials used in the construction of a ship in England. The quantity of iron used in a ship of the class we have described, including cables, anchors, &c., is about 30 tons. In this country, owing to the excessive duties on all sorts of British iron, a smaller proportion of that is used than of other kinds. But the English iron is of all qualities, and, we are informed, is used almost exclusively, in Great Britain, in the construction of ships. We will however allow one third, or 10 tons, of foreign iron, on which the duty in Great Britain is 30*s.* sterling per ton,—or about **\$70,00**

10½ tons of hemp, duty 4*s.* 8*d.* per cwt. equal

to \$22 per ton,

\$231,00

\$301,00

These are the only materials used in the construction of a ship, in England, which are taxed by duties. Thus, while an American ship-owner pays a tax of \$2841,43, according to one estimate, or \$2131, according to another, a British ship-owner, with whom we are in close competition for the transportation of our own produce, is chargeable only with the sum of \$301.

Again;—in regard to ship-owners in the British colonies of Nova-Scotia, Canada, &c., our ship-owners are placed at a still greater disadvantage; for, while timber, spars, and other materials of wood, are cheaper, the taxes on foreign materials are, on the average, lower than in Great Britain. For instance, the duty on hemp is only \$7,50 per ton, and free if imported from Great Britain; on foreign iron \$3,50 per ton, and on British about \$1 per ton; while sailcloth, lead, copper, composition bolts, and other materials, pay only 2½ *per cent.*; so that the whole amount of duties on the materials used in the construction and equipment of a ship of 418 tons, in the British colonies, cannot exceed \$250.

What has been the effect of this impolitic taxation on our navigation? Why, as we have before remarked, it has reduced our own tonnage below what it formerly was; and in the next place, it has greatly increased the foreign shipping employed in transporting the exports, and, consequently, the imports of this country. On turning to Watterston and Vanzandt's Tables, and going back as far as they extend, we find the foreign tonnage which departed from the United States, in 1821, was 83,073 tons. It went on increasing, and in 1828 there was a considerable addition. The average of the last three years, inclusive of 1830, has been 139,157 tons. The quantity this year, as we have reason to believe, will be still greater, to the manifest disadvantage of the American ship-owner.

No man, who has the good of his country at heart, and who

knows how intimately the welfare and safety of the nation are connected with a prosperous commerce and an extensive commercial navy, can contemplate the comparative disadvantages our shipping labors under, without a sentiment of regret, if not of indignation. And for what purpose are these taxes imposed? Why, that a small and favored class of individuals may pursue particular branches of business, which, however profitable to them, are burdensome to the great mass of the nation.

We will now avail ourselves, in the discussion of this subject, of some further extracts from Mr. Webster's speeches of 1824 and 1828, in the hope of making a deeper impression on the minds of our readers, than any language of our own can produce. Mr. Webster, in arguing against increased duties on hemp, in 1828, says:—"I intreat the Senate to examine and weigh this subject, and not to go on, blindly, to unknown consequences. *The English ship-owner is carefully regarded by his government, and aided and succored, whenever and wherever necessary, by a sharp-sighted policy.* Both he and the American ship-owner obtain their hemp from Russia. But observe the difference. The duty on hemp in England is but \$21; here, it is proposed to make it \$60, notwithstanding its cost here is necessarily enhanced by an additional freight, proportioned to a voyage, longer than that which brings it to the English consumer by the whole breadth of the Atlantic. Sir, I wish to invoke the Senate's attention earnestly to this subject; I would awaken the regards of the whole government, more and more, not only on this but on all occasions, to this great national interest; an interest which lies at the very foundation both of our commercial prosperity and our naval achievement."

We will next furnish some extracts from Mr. Webster's speech of 1824; and his remarks upon this subject are as true and appropriate now, as they were then,—but with this difference, that, according to his estimate, the taxes on the materials of a ship of 418 tons (when he, in 1824, deprecated any further addition to those taxes) amounted to \$1229, whereas we have shown, that, under the existing Tariff, they amount, on a first-rate ship of that class to \$2841.43.

"And first, sir, as to our own foreign trade. Mr. Speaker has stated that there has been a considerable falling off in the tonnage employed in that trade. This is true, lamentably true. In my opinion, it is one of those occurrences which ought to arrest our immediate, our deep, our most earnest attention. What does this bill propose for its relief? Sir, it proposes nothing but new burdens. It proposes to diminish its employment, and it proposes, at the same time, to augment its expense, by subjecting it to heavier taxation. Sir, there is no interest, in regard to which a stronger case for protection can be made out, than the navigating interest. Whether we

look at its present condition, which is admitted to be depressed; the number of persons connected with it, and dependent upon it for their daily bread; or its importance to the country in a political point of view,—it has claims upon our attention which cannot be exceeded. But what do we propose to do for it? I repeat, sir, simply to burden and to tax it. By a statement which I have already submitted to the committee, it appears that the shipping interest pays, annually, more than half a million of dollars in duties on articles used in the construction of ships. We propose to add nearly, or quite, 50 per cent. to this amount, at the very moment that we bring forth the languishing state of this interest as a proof of national distress. Let it be remembered that our shipping employed in foreign commerce *has, at this moment, not the shadow of government protection*. It goes abroad upon the wide sea to make its own way, and earn its own bread, in a professed competition with the whole world. Its resources are its own frugality, its own skill, its own enterprise. It hopes to succeed, if it shall succeed at all, not by extraordinary aid of government, but by patience, vigilance, and toil. This right arm of the nation's safety strengthens its own muscle by its own efforts, and by unwearied exertion in its own defence becomes strong for the defence of the country.

“No one acquainted with this interest, can deny that its situation, at this moment, is extremely critical. We have left it hitherto to maintain itself or perish; to swim if it can, and to sink if it cannot. But at this moment of its apparent struggle, can we as men, can we as patriots, add another stone to the weight that threatens to carry it down? Sir, there is a limit to human power, and to human effort. I know the commercial marine of this country can do almost every thing, and bear almost every thing. Yet some things are impossible to be done, and some burdens may be impossible to be borne; and as it was the last ounce that broke the back of the camel, so the last tax, although it were even a small one, may be decisive as to the power of our marine to sustain the conflict in which it is now engaged, with all the commercial nations of the globe.

“Again, Mr. Chairman, the failures and bankruptcies which have taken place in our large cities, have been mentioned as proving the little success attending commerce, and its general decline. But this bill has no balm for these wounds. It is very remarkable, that, when the losses and disasters of certain manufacturers, those of iron, for instance, are mentioned, it is done for the purpose of invoking aid for the distressed. Not so with the losses and disasters of commerce. These last are narrated, and not unfrequently much exaggerated, to prove the ruinous nature of the employment, and to show that it ought to be abandoned, and the capital engaged in it turned to other objects.

It has often been said, Sir, that our manufactures have to contend, not only against the natural advantages of those who produce similar articles in foreign countries, but also against the action of foreign governments, who have great political interests in aiding their own manufactures to suppress ours. But have not those governments as great an interest to cripple our marine, by preventing the growth of our commerce and navigation? What is it that makes us the object of the highest respect, or the most suspicious jealousy, to foreign states? What is it that must enable us to take high relative rank among the nations? I need not say that this results, more than from any thing else, from that quantity of military power which we can cause to be water-borne, and of that extent of commerce which we are able to maintain throughout the world."

We know it will be said, that those ruinous effects of taxation and restraint upon commerce and navigation, which Mr. Webster alleges to have existed in 1824, and which he maintains must continue to exist while commerce and navigation are taxed and restricted, are but imaginary, and exist only in the fancies * of the deluded followers of Smith, Say, Franklin, Raguet, McCulloch, and other vis-

* The New York Tariff Convention speaks of the doctrines of free trade as visionary and impracticable. "The freest of free trade is, after all, but a chartered libertine," says the Address, and, to support this singular definition of free trade, the following characteristic arguments are adduced. "*Nations are adversary to each other, their commercial intercourse is regulated by treaties, always made with a view to relative advantages, and to provide for those hostilities which are of perpetual recurrence.*" That the commercial and political intercourse between nations is regulated upon the principles of mutual benefit, is a truism, which it is hardly necessary to affirm; yet it appears to be contradicted by the New York Address, when it declares, that "*nations are adversary to each other, and that one object of treaties between nations is to provide for hostilities:*" and again, when it is maintained, "that there is no free trade—there never was, there never can be. It would contravene the ways of Providence, which distributes mankind into different communities, separated originally by confusion of tongues, and prevented from all rushing into the most favoured latitudes, by local attachments, and foreign antipathies, which are the germs of national preservation, by means of national emulation!"

Now, though we are unwilling to adopt the definition of free trade, as laid down in the Address of the New York Convention, we are willing to admit their exposition of their own doctrines of restriction; and we beg leave to call the attention of our readers to the immoral principles which are here inculcated. They affirm, that *nations are adversary to each other*, and that one of the principal objects of having any intercourse with each other is, *to provide for hostilities*; 2d. that Providence has distributed mankind into different communities, and planted in their hearts antipathies against foreign communities, for the purpose of preventing a free intercourse with each other.

That these are among the leading principles of the advocates of the exclusive system, is notorious to every one, familiar with the arguments commonly urged in its defence. They rest on the anti-social and unphilosophical maxim, which formerly prevailed among monarchs and statesmen of the old world; viz. that the prosperity and happiness of a country depend on the poverty and misery of foreign nations, who, from proximity and other causes, are most likely to have intercourse with that country. We had supposed, however, that such absurd and detestable notions had long since been banished from every just and liberal mind; especially

ionary writers of similar character of mind ; or, to quote the Boston Tariff resolutions of 1831, in allusion to the advocates of free trade, " of those who rely for guidance upon the treacherous light of a *dazzling* theory."

among a people who are constantly proclaiming the superiority of their government and laws, over those of the old world. Such absurd opinions and unchristian feelings were once common, even among the refined and civilized nations of Europe. But at no period, within two or three generations at least, would an individual of any eminence in those countries have risked his reputation as a statesman, or any writer his character as a moralist and Christian, by recommending a great and enlightened nation to found its political and commercial relations on the impolitic and impious doctrines advocated by the New York Tariff Address.

Let us now contrast the mean and illiberal sentiments and doctrines, inculcated by the advocates of monopolies and restrictions, with the more generous and statesman-like views of two of the greatest men who have ever aided in our public councils ; we mean Alexander Hamilton, and Albert Gallatin,—whose celebrated Reports upon the financial concerns and commercial policy of the country, were not, as has more recently been the case, dictated by an exclusive regard to "*presidential questions*" and "*vested interests*," but by a just and impartial reference to the great interests of the nation.

"No cause, indeed," says Mr. Gallatin in his Report of 1810, on the subject of American manufactures, "no cause has perhaps more promoted in every respect, the general prosperity of the United States, than the *absence of those systems of internal restrictions and monopolies, which continue to disfigure the state of society in other countries.* No laws exist here, directly or indirectly confining man to a particular occupation or place, or excluding any citizen from any branch he may at any time think proper to pursue. Industry is in every respect perfectly free and unfettered ; every species of trade, commerce, art, profession or manufacture being equally open to all, without requiring any previous regular apprenticeship, admission or license. Hence the progress of America has not been confined to the improvements of her agriculture, or the rapid formation of new States and settlements in the wilderness ; but her citizens have extended their commerce through every part of the globe, and carry on with complete success even those branches for which a monopoly had heretofore been considered essentially necessary.

"The same principle has characterized the introduction and progress of manufactures ; and must ultimately give, in that branch, as in all others, a decided superiority to the citizens of the United States over the inhabitants of countries oppressed by taxes, restrictions and monopolies." No public man in this country ever took a deeper interest in the success of manufactures, or did more to aid their introduction and establishment than Mr. Gallatin ; but he did not think it necessary or just for the accomplishment of that object, to restrict and tax all other branches of industry.

The following extract from a number of the *Federalist*, written by Hamilton, expresses the views of that great man with regard to the beneficial effects of commerce upon the great interests of a nation :—"A prosperous commerce is now perceived and acknowledged by *all enlightened statesmen* to be the most useful, as well as the most productive source of national wealth ; and has accordingly become a primary object of their political cares. By multiplying the means of gratification, by promoting the introduction and circulation of the precious metals, these darling objects of human avarice and enterprise, it serves to invigorate and vivify all the channels of industry, and to make them flow with greater activity and copiousness." Again—"It has been found in various countries, that in proportion as commerce has flourished, *land has risen in value.* And how could it have happened otherwise ? Could that which has procured a free vent for the productions of the earth, which furnishes new enticements to the cultivators of the land, *which is the most powerful instrument in increasing the quantity of money in a state*—could that, in fine, which is the fruitful handmaid of la-

Now, if it were conceded that some, who advocate the doctrines of Free Trade, are open to the charge of enthusiasm or extravagance,—the facts, arguments, and opinions just quoted, are from the pen of a man, who, our opponents will admit, is not himself prone to mental delusions, however great may be his power of deluding the minds of others. But in truth, the doctrines of Free Trade, however *mistified* and perplexed by many who have undertaken to discuss them, are as susceptible of demonstration as those of any of the sciences, which rest for support on reasonings from facts and experience. If there are any who doubt this, we refer them to Mr. Webster's speeches of 1820 and 1824, on which, as we humbly apprehend, his *permanent* fame as a statesman, more securely rests, than on the results of any other efforts of his richly endowed and powerful mind.

Still, it will be said by the advocates of restriction, in denial of the injurious effects of the existing system upon commerce and navigation, that, however correct our theory may be, facts are against us; since it will not be pretended that commerce and navigation have not flourished for twelve months past, or that they do not now flourish. The facts we admit; but they do not warrant the conclusion drawn from them. Our commerce and navigation have been, in common with almost all the great branches of industry

and industry in every shape, fail to augment the value of that article, which is the prolific parent of far the greatest part of the objects upon which they are exerted? It is astonishing, that so simple a truth should ever have had an adversary; and it is one among a multitude of proofs how apt a spirit of ill-informed jealousy and of great abstraction and refinement is to lead men astray from the plainest paths of reason and conviction."

We will, to show the similarity of thoughts and feelings between men of kindred minds, add an extract from Mr. Webster's speech of 1824,—a passage quoted from a Parliamentary Speech as expressive of his own opinions and feelings upon this most momentous question.

"He believed that the discontent which pervaded most parts of Europe, especially Germany, was more owing to commercial restrictions, than to any theoretical doctrines on government; and that a free communication among them would do more to restore tranquillity than any other step that could be adopted. *He objected to attempts to frustrate the benevolent intentions of Providence.* He objected to it, as anti-social; he objected to it, as making commerce the means of barbarizing instead of enlightening nations. 'The state of trade with France was the most disgraceful to both countries: the two greatest civilized nations of the world, placed at a distance of scarcely twenty miles from each other, had contrived, by their artificial regulations, to reduce their commerce with each other to a mere nullity.'"

What a contrast is here exhibited between the just, politic, and elevated views of these truly great men, and the narrow, selfish, and immoral notions put forth in the Address of the New York Convention—"that nations are adversary to each other," and "free trade a chartered libertine!" or, what is still worse, the impiety of imputing to Providence the design of planting in the hearts of each member of the human family "those foreign antipathies, *the germs of national preservation*, which prevent nations from rushing together into the most favored latitudes."

It is by such doctrines, addressed to the worst feelings of man, that this unjust system of monopolies and restrictions is attempted to be sustained. But bad as are the sentiments and principles, to which we have referred, they are every way worthy of the cause in whose defence they are employed.

in the Northern and Middle States, in a prosperous condition, for the last twelve months ;—not, however, in consequence of the Tariff, but from causes wholly independent of that system,—to some of which we have already adverted, and to others may hereafter advert. With respect to our commerce and navigation, they have generally been in the state in which Mr. Webster described them to be, since the passage of the first prohibitory act. There have been alternations of prosperity and adversity ; but, generally speaking, both these branches of industry, from 1816 to 1830, have been in an unthrifty state, often in a very depressed, and sometimes a ruinous condition. The consequence has been a regular and rapid decline, both in our commerce and navigation ; as we shall more particularly show by Custom House returns.

From 1826 to 1829 our navigating and commercial interests were in so depressed and ruinous a condition, that an immense number of merchants failed, or retired from business. Ship-building was in a great degree suspended during a part of this period, and to such an extent, as on 31st December, 1829, to give only a return of 1,260,797 tons, being less by 111,421 tons than we had in 1816 ; and in our foreign tonnage the decline was from 800,759 to 650,142.* Our exports have experienced a still greater decline, having, from 1800 down to the embargo of 1807, averaged 84,564,515 dollars, and for four years prior to that measure 95,786,302 dollars. For 1816, 1817 and 1818, they averaged 87,624,385 dollars ; but, as duties were increased, imports, and consequently exports, declined. Our imports, for the three first years in the century, amounted on an average to 93,895,142 dollars. From the commencement of the protecting system to 1820, no returns of imports were made. But for 1826, 1827 and 1828, the average was 84,262,789 dollars, and they declined the next year to 74,492,527 dollars, and in 1830, to 70,876,920 dollars. The exports, *which must keep pace with the imports*, have also declined to an average, for the last three years, of 72,840,955 dollars. Thus, while our population and wealth doubled, our commerce and navigation declined in amount.

It was the decline of our commerce, consequent upon the restrictive system, which deprived our ship-owners of their occupation, and compelled them, either from loss of capital or from prudential motives, to withdraw from navigation and commerce. Thus, those branches of industry became, in 1830, more profitable, though of less extent, than they had been with half our population under a free trade system.

* Mr. Webster, in his speech of 1824, with great justice reprobated imposing a tax of half a million a year upon our shipping ; but we have shown that the annual taxes now paid on the materials used in the construction and repairs of our shipping amount nearly to three millions per annum.

Such were some of the causes of the advance in freights in 1831. But the ship-owners are already beginning to feel the effects of the competition of the lower taxed shipping of our commercial rivals, whose tonnage, as we have already shown, has increased, since 1821, from 83,073 to 139,157 tons, and will, as we have good reasons to believe, exceed this latter amount for the current and coming years. The time is, we fear, near at hand, when both our commercial and navigating interests will be somewhat in the condition described by Mr. Webster, in his Speech of 1824.

We will now close the discussion of this all-important subject, by a few more extracts from Mr. Webster's speech while pleading, with all that force which truth gives to argument and eloquence, in behalf of the merchants and ship-owners, whose interests are so identified with our national safety and national honor.

"The condition, sir, of the shipping interest is not that of those who are insisting on high profits, or struggling for monopoly; *but it is the condition of men content with the smallest earnings, and anxious for their bread.*

"The freight of cotton has formerly been 3*d.* sterling per pound, from Charleston to Liverpool, in time of peace. It is now, I know not what, or how many fractions of a penny; I think, however, it is stated at five-eighths. The producers, then, of this great staple, are able, by means of this navigation, to send it for one cent a pound, from their own doors to the best market in the world.

"Mr. Chairman, I will now remind the committee that, while we are proposing to add new burthens to the shipping interest, a very different line of policy is followed by our great commercial and maritime rival. It seems to be announced as the sentiment of the government of England, and undoubtedly it is its real sentiment, **THAT THE FIRST OF ALL MANUFACTURES IS THE MANUFACTURE OF SHIPS.**"

THE EFFECTS OF THE
ANTI-COMMERCIAL SYSTEM
UPON
THE NAVIGATION, COMMERCE, AND REVENUE
OF THE COUNTRY.

IN our preceding remarks we have endeavored to trace out and to demonstrate the pecuniary effects of the high duty and prohibitory system upon consumers, whether in the form of duties actually paid into the public treasury as revenue, or in the more disguised form of an increased price paid to the favored classes for certain articles of home production forced upon the nation by the exclusion of the cheaper foreign articles, which, but for the Tariff, might be obtained in exchange for the productions of our soil.

Let us now proceed to investigate the effects of the exclusive and anti-commercial system upon the shipping of the country; which, as we have just shown, is so heavily burdened by direct taxes on the materials used in the construction and equipment of ships. This, however, is not the only way in which this great interest suffers. The employment of vessels is obstructed and diminished by the exclusion of foreign goods, which consequently diminishes our exportation in an equal ratio; since, by lessening the importation of foreign goods, we lessen the means which foreign nations would otherwise possess of taking our productions.* Commerce is the exchange of the pro-

* "But it is asserted with great seriousness, that home manufactures give employment to American labor and capital, and thus promote American interests. This is unquestionably true. But it is likewise true, that a free importation gives an equal and vastly more beneficial employment to American capital and labor. If we import foreign fabrics, do we not export an equal amount of

ductions of one country for the productions of another country ; and when one nation refuses to take what the other can alone give in return for the commodities she may want, there must necessarily be an end to all commercial dealings. Consequently, as far as this system operates, it decreases the demand for the shipping employed in the transportation of those commodities.* This is a self-evident proposition, which, one would imagine, must command the assent of every mind. Still it is denied by the advocates of restriction, who affirm that both "our commerce and our navigation flourish beyond all expectation."

But before we proceed to examine the assertions of our opponents and to demonstrate their incorrectness, we will, in justice to them, and in conformity to the plan we have adopted, allow them to state their own case.

In the Philadelphia Tariff Address, adopted at a meeting for the choice of delegates to the New York Convention, it is maintained, that "while agriculture is thus benefited, foreign commerce, navigation, ship-building, and the tonnage generally of the United States, of the seas, the rivers and the lakes, *have constantly increased and are rapidly progressive.*"

Mr. Edward Everett, in his Address to the New York Institute, asserts, that "our commerce and navigation have suffered *no diminution* ; our ship-yards are in a state of most profitable activity ; our coasting trade and internal commerce have greatly increased, and a general prosperity pervades the country." The New York

our own productions, the fruits of American labor and capital, to pay for them ? Trade necessarily implies an interchange of commodities ; each giving ; that, which, from its climate, soil and other circumstances, it produces with the greatest facility, and receiving that which it cannot produce at all, or which it can produce only at greater cost. If we will not buy foreign commodities, we cannot sell our own. If we will not import, we cannot export."—*Boston Memorial of 1827, drawn up by Chief Justice Shaw.*

"Freedom and protection are most indisputable principles whereon the success of trade must depend, as clearly as an open good road tends towards a safe and speedy intercourse ; nor is there a greater enemy to trade than constraint."—*Franklin in Defence of Free Trade.*

"If we are unwilling to receive foreign manufactures," says Mr. Justice Story, in the Memorial drawn up against the act of 1824, "we cannot reasonably suppose that foreign nations will receive our raw materials ; we may force other nations to seek an inferior market for their productions, but we cannot force them to become buyers, when they are not sellers, *or to consume our cottons when they cannot pay the price in their own fabrics.*" Again—"Nations, like individuals, will pursue their own interests, and sooner or later abandon a trade, however fixed may be its habits, *when there is no reciprocity of benefit.*" This is sound doctrine. Still, the restrictionists have claimed this gentleman as an advocate of the unjust and oppressive system now in operation.

"The radical principle of all commercial intercourse," says Mr. J. Q. Adams, in one of his Messages to Congress, "between independent nations, is the mutual interest of both parties. It is the vital spirit of trade itself, nor can it be reconciled to the nature of man, or to the primary laws of human society, that any traffic should long be willingly pursued, of which all the advantages are on one side, and all the burdens on the other."

Tariff Convention Address goes still further, and says—"It was affirmed that the system would undermine commerce and ruin navigation; *but they flourish and prosper beyond all expectation.*" Again—from Mr. Rush's last Report, we extract the following passages :—"It was believed that with the establishment of manufactures at home, foreign commerce would ultimately expand; but it continues to be believed, that the latter will never get to its full height in the United States, until aided by the laws in the ways recommended." Towards the conclusion, the subject is again noticed in the following terms :—"The foreign commerce of the country is in a state of solid prosperity, from the improving condition of its leading departments of industry at home, and consequent *increase in the exportation of its products; the increase of its tonnage*, that foundation of naval strength, as well as commercial riches, keeping pace with the *increase of commerce, &c.*" Again—from a letter addressed by Mr. Clay to some manufacturers of Pittsburg, dated May 3d, 1831, we make the following extract :—"You are right in supposing that I derive very great satisfaction from witnessing the prospects of Pittsburg, and the complete success of our American System. Never had the friends of any great measure of national policy more cause to rejoice. Never were the predictions of the foes of any such measure more refuted than in the instance of this triumph of that system. It was objected to it, that it would dry up the sources of the public revenue. *The revenue has been increased.* It was said that our foreign commerce would be destroyed. *Our foreign commerce has been greatly nourished and extended* by its operation, changing only some of its subjects. It was urged that it would impair our marine. *Our navigation*, and especially the most valuable part of it, *has been rapidly extended.*"

We could produce extracts from numerous speeches, essays, reviews, and other publications on the side of the Exclusive System, of similar import; but we prefer to cite those authorities on which our opponents mainly rely, that they may not accuse us of dealing unfairly by them, as they might do, were we to resort to the productions of the less intelligent, and less able defenders of the "American System."

The following propositions are affirmed in the above extracts :—

1st. That the navigation employed in the foreign trade of the country, has been greatly extended since the protecting system commenced, and was so extended in consequence of that system.

2d. That the navigation employed in the coasting trade has, from the same cause, increased in a still greater proportion, since the enactment of the first protecting Tariff.

3d. That our foreign commerce has been cherished and greatly extended since 1816, and is at this time in a state of rapid advancement.

4th. That the public revenue has been in like manner augmented since the commencement of the high duty system ; and generally, that our navigation, commerce, and revenue, have flourished and increased in a greater degree since the origin of the existing system, and in consequence of its beneficial effects on those branches of industry, than at any period prior to its establishment.

Now we apprehend no one will deny, that the commerce and navigation of a country, unless obstructed by wars, or restrictions of some sort or other, will, like all the other great branches of industry, keep pace in their growth, with the increasing wealth and population of a country ; and that revenue will increase in like proportion. Admitting these assertions to be true, it is clearly incumbent on our opponents to prove, that, since 1816, our commerce, navigation and revenue, have increased somewhat in a like ratio with the augmented wealth and population of the country, or their positions are not sustained. For instance, it will not be sufficient to satisfy reflecting minds of the truth of their assertions, to prove that commerce, navigation and revenue have *not decreased* during a period which has doubled, and more than doubled the population of the country. A branch of business which remains stationary under such circumstances, must have been in a *declining*, and not in a prosperous condition. The commerce and navigation of a country, when in a natural and healthy state, free from foreign or domestic restraints, will, like all the great interests of a nation, grow with the growth of that nation ; and consequently, to support the truth of their assertions, they should show, that, since 1816, there has been a very great increase to our shipping, as well as to our exports, imports and revenue—an increase somewhat in proportion to our increase of wealth and population.

Now, if it is really true that our commerce, navigation and revenue have all prospered and increased in as great a ratio as under the free trade policy, it is of great importance to our opponents to have these facts clearly established, inasmuch as the establishment of them would at once remove many of the most important objections to the high duty system, as it would prove those duties to be inoperative. But what evidence has been adduced to prove the correctness of the assertion of our opponents, on which we are commenting ? None whatever ; and yet there are records within the reach of every one, to which they might have resorted, and which, as public men pretending to direct public opinion upon such an important question, they were bound to examine. Instead, however, of availing themselves of those facts, which are decisive of the truth or falsity of the propositions which have been advanced, they are content to rest the success of their cause, as far as the statements in question can promote it, upon their mere *dicta*, instead of referring to the *facts* which were accessible to all, and familiar to at least one of

those, whose business it was to arrange and place them before the nation. We refer to Mr. Rush, the former Secretary of the Treasury, who annually made up those statements which furnish a *mathematical refutation* of what is here asserted by himself and others, with regard to the prosperous and flourishing state of our commerce, navigation and revenue, since the adoption of the prohibitory system.

The advocates of the restrictive system are continually reproaching the national party, with relying on speculative *theories*, instead of reasoning from *facts*. Why, then, have they not avoided the error charged upon their opponents, and given us something besides mere assertions * to sustain propositions, which, on the face of them, bear marks of incredibility; namely, that a system which, to a great extent, prevents foreign nations from taking our productions, by prohibiting our citizens from receiving their productions in exchange, has a tendency to increase our commerce, navigation and revenue; and that such have actually been the effects of this system? Mr. Clay, in some remarks which follow the extract we have given from his letter to the manufacturers, with much complacency speaks of "facts which have falsified the predictions" of the advocates of the national interests. But, with the exception of the fact that a shovel, spade, *carving-knife*, &c. had been sent him as a reward for his merit, and his services in supporting the "American System," there is no attempt whatever to bring forward facts, which can bear upon this great question. These facts are registered at our custom houses, and annually placed before the nation, showing the amount of our imports, exports, tonnage and revenue.

The truth is, that a recurrence to facts, will be most sedulously avoided by every shrewd and intelligent advocate of the "American

* On further examination of Mr. Clay's letter to the manufacturers of Pittsburg, from which we have just quoted a passage, we do discover one *fact*, and it is the only one which has been adduced in support of the declaration that our commerce, navigation and revenue have been cherished and extended by the operation of what is termed the "American System." This well attested *fact*, from which such important consequences are deduced, is the *fact* of Mr. Clay having received from the citizens, to whom his letter was addressed "a shovel, a spade, an axe, a hoe, and a carving-knife and fork,"—the results of domestic industry; thus furnishing, according to the views of the restrictionists, the most unanswerable refutation of the opinions entertained by the national party, that the "American System" would lessen our commerce, navigation and revenue! Unfortunately, however, for the inferences which were drawn from this well authenticated *fact*, and very striking illustration of the benefits of the "American System," it is equally a *fact*, familiar to every well-informed citizen, that shovels, spades, axes and hoes were manufactured in great abundance fifty years before the "American System" was imported into this country; and that, too, from raw iron, produced in the vicinity of Pittsburg and other parts of Pennsylvania; which manufacture then afforded immense gains to the iron-masters under a duty of $7\frac{1}{2}$ per cent.; and even this duty Mr. Hamilton thought might perhaps be dispensed with, as being too high on a *raw material*. The interests of the *workers in iron*, were not then, as they now are, sacrificed to the views of a few hundred wealthy iron-masters.

System ;"—for, if correctly adduced and fairly dealt with, they must necessarily be fatal to his purposes. The restrictive system, under whatever plausible and deceptive terms it may be disguised, is still at war with those principles of justice and common sense, which usually regulate the conduct of individuals in common life ; * and all the facts which are brought fairly to bear upon it, serve only to show its folly and injustice, and, as we trust, in such a free and enlightened nation as this, its utter impracticability. Such a system, then, cannot be sustained either by facts or arguments, but must ever rest for support, as it heretofore has done, in all ages and countries, on sophistry and misrepresentation, acting upon the ignorance, the prejudices, and the passions of mankind.

Let us now bring the propositions advanced by our opponents, and upon which more than any other they rest the defence of the "American System," to that unerring test which sophistry cannot evade, nor dulness misapprehend, nor the most deluded and unblushing advocate of restrictions and taxation deny ; that is, to a *mathematical refutation*.

I. *Effects of High Duties on our Shipping in the Foreign Trade.*

1st. It is affirmed that the navigation employed in our foreign trade, has been constantly on the increase, and is greatly extended ; and that it is now in a most prosperous and flourishing condition.

Fortunately for the cause of truth, this is not a matter of speculation or conjecture, but can easily be settled by a reference to those facts, which the national party are constantly challenged to produce. We will then turn to the tables of tonnage, commencing with 1789 and terminating 31st of December 1829, this being the last return made, and, having been carefully corrected at the Treasury department, it may be relied upon with more than usual confidence.

The first protecting act was passed in 1816, and took effect on the 1st of July of that year. We shall therefore consider the protecting system as having commenced with the tonnage return of 1817. To know, then, what has been the effect of the anti-commercial system on our foreign navigation, we have only to compare the tonnage of 1817 with the last return of tonnage for 1829. It appears by the tables, then, that in 1817 we had 809,724 of registered tonnage against 650,142 in 1829, exhibiting a *decrease*, since

* "In short, sir, the general sense of this age, sets with a strong current, in favor of freedom of commercial intercourse and unrestricted individual action. Men yield up their notions of monopoly, as they yield up other prejudices, slowly and reluctantly ; but they cannot withstand the general tide of opinion."

Mr. Webster's Speech on the Tariff in 1824.

Again—"The best apology, Mr. Chairman, for laws of prohibition and monopoly, will be found in that state of society, not only unenlightened, but sluggish, in which they are most generally established."

the protecting system commenced, of 159,582; that is to say, with a population of less than 9,000,000 in 1817, we had 25 *per cent.* more tonnage, than we had in 1829 with a population of upwards of 12,000,000.

The period we have taken to show the effects of the "American System" upon our navigation in the foreign trade, which our opponents maintain has constantly increased and flourished, is 13 years.

We will now go back the same number of years, immediately preceding the Tariff of 1816, and see the effect of the free trade policy upon this important branch of industry, whose rise or fall, in a commercial and agricultural country, is one of the most certain tests of the wisdom or folly of the system of commercial laws, under which such a nation is acting.

The tonnage, then, in 1804, was 672,530 against 800,759 in 1816; exhibiting an *increase* of 128,229, or 19 *per cent.* in 13 years. Thus, while the tonnage in the foreign trade *decreased* upwards of 19 *per cent.* in 13 years, under the exclusive or "American System," it *increased* upwards of 19 *per cent.*, in the same period of time, under a free trade system.

But this statement does not present the full advantages of the free trade over the exclusive system; because, in the interval between 1804 and 1816 there had been an embargo of two years, and nearly three years of war, besides great embarrassments and interruptions from the decrees, orders in council, blockades, seizures and confiscations made by most of the belligerent nations, which reduced our navigation much below what it would have been but for those interruptions and losses.

Let us, then, go back to the origin of the tables, and we shall find that the registered tonnage in 1789 was 123,893. We at that time had but little capital, and still less credit among the nations with whom we traded. But, such is the effect of a wise, just and liberal system of commercial laws, which leaves all branches of industry to the management of individuals,* free from restraints, taxation and legislative interference,—our foreign navigation flourished in common with all other branches of business; and at the end of the century, our shipping in the foreign trade extended to 669,921 tons, and went on increasing till it reached 984,059 tons, at the close of 1810. At that period our commerce began to decline, vexed as it was by various interruptions from the belligerents, which ultimately led to a war with Great Britain.

* "The freedom of trade," says the North American Review, in an essay attributed to Mr. E. Everett, "by creating and extending competition, is conducive to public prosperity, and ought never to be restrained but in order to attain some national advantage, fully compensating the expense and inconvenience produced by the restriction."

If, then, we were to take the increase of our navigation, according to the ratio of its increase under the free trade policy established by Washington and his intelligent and patriotic counsellors, we should at this time have had more than 1,500,000 tons engaged in the foreign trade. But it will probably be contended by many intelligent men of all parties, that, as we for many years enjoyed the carrying trade of most of the nations of Europe, which were then involved in war, it could not be expected that our navigation in the foreign trade should go on increasing in the ratio it had increased during that period.

We grant that there is some ground for this supposition, but not so much as is generally imagined. In the first place, Great Britain, almost our only competitor for the carrying trade of the world, was, on the whole, as favorably situated as we were, to pursue this branch of business. In the next place, it is notorious that the Baltic and Mediterranean states, which enjoyed a considerable share of the carrying trade, have almost ceased to be even their own carriers. Holland has very little shipping, Spain and Portugal less than they had at the time when our foreign commerce was in its most growing condition. France, of all the commercial nations of Europe, save Great Britain, has had the greatest accession to her navigation; still she does not employ so much tonnage in the foreign trade, judging from the statements which are published, as the city of New York. Nor can that fine kingdom, with her intelligent, industrious, and comparatively enlightened population, possessing, too, greater natural resources than any country in the world, become a navigating, a commercial, nor a successful manufacturing nation, till she abandons those restrictions upon industry, which she maintains, not in accordance with the opinions of her wisest statesmen and economists, but by the influence and power of those combinations of capitalists and those *vested interests*, which, in that country as in this, are more regarded by men in power and aspirants to office, than the *vested rights* of the people, who submit to a most injurious system of taxation and restraints, under the delusive notion, that the honor, dignity, and welfare of the nation are promoted by such a system.

It would seem, then, that the United States still divide with Great Britain, almost without a competitor, the carrying trade of the world. And, as we enjoy many decided advantages over that nation, the increase of our navigation in the foreign trade, ought, at least, to keep pace with hers; and, no doubt, such would have been the case, but for the taxation and restrictions imposed upon our commerce and navigation. But what are the facts? Our navigation in the foreign trade, as we have already shown, has greatly declined since the protecting system commenced; and so have our import and export commerce, and our revenue, as we shall hereafter show.

We will now see what has been the progress, and what is the present condition of this branch of British industry, going back to the period of 1817.

From an authentic statement before us, we perceive that the tonnage of *British* ships, which entered the United Kingdom in 1817, from foreign countries, was 1,625,121 against 2,184,535 in 1829, exhibiting an *increase* in 13 years of 559,414 tons, or upwards of 34 *per cent.*; while during the same period, the navigation of the United States engaged in foreign trade, has *declined* from 809,724 to 650,142 tons, exhibiting a *decrease* in the same 13 years of 159,582 tons, equal to 19 *per cent.*

Can any thing be more disheartening to every true friend of his country than the contrast here exhibited, between the *flourishing condition* of the navigation of Great Britain and the *rapid decline* of ours? And what, we would inquire, are the reasons of the decay of the one, and the prosperity of the other? We have a cheap and a fertile soil, and a greater diversity of climate and productions than Great Britain. We have good laws and a just administration of them. We have an economical government. We have been free from wars and apprehensions of wars, and have been blessed with a series of abundant harvests, almost without exception. In truth, neither Great Britain, nor any other nation on the globe, can be said to possess so many moral, political and physical blessings as we enjoy; such natural and acquired means of creating and accumulating wealth.

Great Britain, on the other hand, though not actually engaged in war, has frequently, within the period in question, been greatly disturbed by the apprehensions of wars; and, in consequence, has been forced to increase her expenditure. She is, too, burdened with a direct annual taxation, for the payment of her debt and the current expenses of her government, of 250,000,000 dollars, besides her pauperism, and other taxes equal to 50,000,000 more; while our annual expenditure, with half her population, has not exceeded 25,000,000 dollars, which, in the aggregate for the whole thirteen years, is about equal to the annual public expenditure of Great Britain.

What then, we repeat, is the reason, that, while the navigation of England has *increased 34 per cent.*, ours, in the same period of time, and with a population increasing three times as rapidly as that of Great Britain, should have *diminished 19 per cent.*?

To those, then, who have carefully examined into the tendency and effects of the existing system upon those great branches of national industry, commerce and navigation, and who have compared the narrow and unwise commercial policy pursued by this government, with the more liberal and wise course adopted by Great Britain, the causes of the evils in question are most obvious.

This government, ever since the protecting system commenced, has been burdening commerce and navigation with taxation and restraints ; and many of our public men, who aspired to power or who were in the enjoyment of it, have endeavored to render the occupation of the merchant and the navigator odious and troublesome,* viewing them as a class of men standing in the way of those active and powerful associations of wealthy capitalists and ambitious politicians, which have so long influenced or over-ruled our national legislation.

* The embarrassments growing out of the operation of the existing system, have almost driven out of business a large class of importing merchants. Mr. Clay, in his late speech in the Senate, adverts to this subject in the following terms:—

“The effect of this vicious condition of the law has been to throw almost the whole import trade of the country, as to some important articles, into the hands of the foreigner. I have been informed that seven-eighths of the importation of woollens into the port of New York, where more is received than in all the other ports of the United States together, are in his hands. This has not proceeded from any want of enterprise, intelligence, or capital, on the part of the American merchant; for, in these particulars, he is surpassed by the merchant of no country. It has resulted from his probity, his character, and his respect to the laws and institutions of his country—a respect which does not influence the foreigner. I am aware that it is made by law, the duty of the appraiser to ascertain the value of the goods in certain cases. But what is his chief guide? It is the foreign invoice, made by whom he knows not, certainly by no person responsible to our laws. And, if the fairness be contested, they will bring you cartloads of certificates and affidavits from unknown persons, to verify its exactness, and the first cost of the article.

“Now, sir, it seems to me that this is a state of things to which we should promptly apply an efficacious remedy ; and no other appears to me, but that of taking into our own hands both parts of the operation, the ascertainment of the value as well as the duty to be paid on the goods. If it be said that we might have in different ports, different rules, the answer is, that there could be no diversity greater than that to which we are liable from the fact of the valuation being now made in all the ports of foreign countries from which we make our importations ; and that it is better to have the valuations made by persons responsible to our own government, and regulated by one head, than by unknown foreigners, standing under no responsibility whatever to us.

“The other change to which I allude, is to reduce the credits allowed for the payment of duties and to render them uniform. It would be better, if not injurious to commerce, to abolish them altogether. Now we have various periods of credit, graduated according to the distance of the foreign port, and the nature of the trade. These credits operate as so much capital on which the foreign merchant can sometimes make several adventures before the arrival of the day of payment. There is no reciprocal advantage afforded to the American merchant, I believe, in any foreign port.”

Mr. Clay affirms that government is defrauded of an immense amount of duties, by false entries of iron, woollens, bagging, &c. This assertion is supported by the declarations of so many well-informed and respectable individuals, that there can be no question of its truth. This is one of the necessary consequences of extreme duties, and we apprehend that it will be difficult to devise any laws that will correct the evil. There is also a most extensive smuggling trade carried on upon the frontiers of Canada and Nova Scotia. If the present high duties are to be continued, we trust some new guards will be placed upon the collection of the revenue, in justice to the fair-dealing merchant, who is compelled to pay the full duties, as well as to the nation, who are now losers of a great amount of revenue. All parties will join in support of any act to prevent smuggling and fraud ; and valuing all dutiable goods at the port of arrival would be the most effectual mode of preventing fraudulent transactions.

The government of Great Britain, on the other hand, has been relieving her commerce and navigation from those taxes, restrictions and monopolies, imposed on them in a less enlightened age; and, so far from discouraging her merchants and seamen by injurious, vexatious and oppressive regulations and harassing restraints,—every administration, to whatever party it might belong, has shown a laudable eagerness to promote the commerce and navigation of the country, as among those interests the most essential to the security and welfare of the nation. These and these only, are the reasons why commerce and navigation have flourished and increased in Great Britain, while they have diminished and are still diminishing in this country.

Let us bring this investigation to a conclusion, by comparing the quantity of tonnage now employed in our foreign trade, with what it might probably have been, had the affairs of government continued to be administered upon the wise and just principles of commercial policy, which guided Washington, the elder Adams and Jefferson,—men who did not shape the legislative action of the government to the interests of a few thousand ambitious politicians and wealthy capitalists and corporations, but to the great interests of the nation.

We have already shown, that, from 1804 to 1816, inclusive, a period of 13 years, our navigation, though interrupted and wasted by four years of war and embargo, vexed, restrained, harassed, and plundered by all the belligerents,—increased 19 *per cent.*, having augmented in that interval of time from 672,530 to 800,759 tons.

On referring back, however, to a period of 13 years prior to 1804, when our commerce was not molested by belligerents, or only in a trifling degree, we find that the tonnage in the foreign trade had extended from 363,110, being the returns for 1791, to 597,157, being the returns for 1803, exhibiting an increase of 234,047 tons, equal to 65 *per cent.*

If, then, we take the increase for the 13 years of uninterrupted free trade, being equal to 65 *per cent.*, with the increase of the 13 years of commerce interrupted by wars, embargoes, and foreign aggressions, which we have shown to be 19 *per cent.*, we find the average to be 42 *per cent.*; and if we assume this to be the rate at which our navigation would have increased, had we persevered in the free trade system, we shall certainly be within the bounds of probability.

Our tonnage in the foreign trade at the commencement of the existing system in 1817, was 809,724, to which add 42 *per cent.* for the increase, and we have 1,149,808, as the tonnage which would probably have been returned on 31st of December, 1829, as employed in the foreign trade, had we continued to act upon the free trade policy. Notwithstanding this demonstrative evidence of the destructive effects of the existing system upon our navigation,

which has often been presented to the public by the Editor of the "Banner of the Constitution," and other free trade advocates, it is contended, by the restrictionists, that our navigation has not decreased.

The navigation we actually had in the foreign trade, according to the return of 31st of December, 1829, was only 650,142 tons, instead of 1,149,808, which we should have had, if our navigation had increased in two thirds *of the ratio* which it did under the wise, patriotic, and liberal principles, which governed the conduct of Washington and those great and good men, who aided him in the assertion of our national independence, and in the formation and establishment of that Constitution whose principles have been since violated by the enactments of laws, which oppress one class of citizens for the benefit of another.

II. *The Effects of the Anti-commercial System upon our Coasting Trade.*

It is asserted that the navigation employed in the *coasting trade* has been immensely extended by the protecting system, in consequence of the increased demand for cotton, wool, flour, &c., for the consumption of the manufacturing States, and the returns in manufactures, which must be transported coastwise for the payment of them. This statement has been circulated with so much industry and so often repeated, that we seldom have met with men of any party who did not believe it. It would indeed be singular, if, in a country with such an extended sea-coast, and with so many bays and rivers, opening annually new channels of communication with the States where population is in some instances doubling in ten years, the coasting trade did not rapidly increase. It is not wonderful, therefore, that when the assertion, that such has been the fact, is circulated and repeated by respectable and intelligent men, that it should easily gain credence.

In addition to what has been affirmed upon this point by Mr. Clay, Mr. Everett and others, the subject is again noticed in the New York Convention Address in the following terms:—"The manufacturing establishments, now spreading through the United States, sustain their agriculture, *have revived their commerce, have vastly increased their coasting trade and domestic exchanges.*" Again—"The principal commerce among the several States of the Union, is employed in the transportation of domestic manufactures, and managed by domestic exchanges, *which have increased beyond all computation within the last few years.*" Again—in the Resolutions introduced at the meeting for the choice of delegates to the New York Tariff Convention, by Mr. C. I. Ingersoll, one of the Committee appointed to draw up the Convention Address,

it is affirmed, that "above all, the coasting trade, that primary interest of maritime enterprise, and principal nursery of a powerful marine, *contrary to the most preposterous representations of its stagnation and comparative decline*, has extended itself far beyond that of any other nation in the same time, and is *progressing* in a ratio of the most gratifying augmentation."

The Harrisburgh Convention Address, more specific in its statements, because drawn up by men possessed of less prudence than is displayed by the New York Convention, asserted in 1827, that "the protection of domestic industry had built up the commerce and navigation of the United States, and had probably added 50 *per cent.* to the internal and coasting trade within five years." The statement was refuted at the time; but this only led to increased exertions on the part of those who originated the misrepresentation, to affirm its correctness, and to make it answer the purpose for which it was intended,—that of deceiving the people and inducing them to bear an enormous taxation, chiefly for the benefit of a few manufacturing capitalists, who, if they did not originate that Convention, contrived and managed its most important proceedings.

The advocates of the "American System" have here repeated bold assertions, often before made, and reproved the national party for their perversity in denying them. Why did they not, then, we inquire, as in a former case, why did they not give us the *facts* so accessible to every one, and which, if in accordance with their belief, would have established their position, and at the same time have convinced their opponents of the error which they now so confidently charge upon them? This, then, like the former question, must be decided by *facts*; and, as our opponents have not chosen to make their appeal to them,* the duty devolves upon us.

* In reviewing one of Mr. Rush's numerous productions in favor of the "American System," we find one attempt to sustain the point in question by facts. It would appear, that two or three years before the act of 1816 was passed, certain packet masters had a sloop of 37 tons engaged in the coasting trade between Providence and Philadelphia; and that in the year 1830, the tonnage in this business had increased to 6 schooners of 70 tons each. Upon this important and interesting *fact* being announced to Mr. Rush, he makes the following comment upon it in his answer to a letter from the packet owners:—"What a *fact* does your letter announce! The tonnage of a line of packets between Providence and Philadelphia, increased nearly 1200 *per cent.* in 16 years!! Let this *fact* be promulgated. It is better for our side than abstract disquisitions on the other, from Mr. Huskisson, or from whomsoever they may come." And upon this remarkable *fact*, this logical and ingenious statesman proceeds to build up a course of reasoning, as if an increase of 383 tons in the business between two cities, or 1200 *per cent.* furnished satisfactory evidence that the commerce, navigation, wealth and population of the whole confederacy, had increased in a similar ratio. Singular as it may appear to many, to find a man who has occupied an important station in the government, reasoning in this manner, yet we do not hesitate to say, that it is one of the most logical, satisfactory and conclusive arguments, which is to be found in the various official reports and essays of that gentleman, in favor of the existing system.

That Mr. Rush is a sincere believer in all the doctrines which have come

It is, then, maintained by the respectable authorities we have cited in favor of monopolies and restrictions, that the *coasting business* has been immensely extended since the protecting system commenced;—the New York Convention say, “beyond all computation,” while the Harrisburgh Convention with more precision, though not more in accordance with truth, define the increase to have been 50 *per cent.* in five years. On the whole, it might reasonably be inferred, from the general tenor of the extracts, that the coasting business had at least been doubled since 1817; and, as our adversaries say, by the operation of the protecting system.

On turning to the tables, we find the enrolled and licensed tonnage for 1817 was 590,186 against 610,654 for 31st December, 1829, being the last return which has been published. It would appear, then, that with a population of less than 9,000,000 in 1817 we had 20,468 tons less of coasting tonnage, than we had in 1829, with a population of upwards of 12,000,000, thus exhibiting an increase of 34 *per cent.* for 13 years of the most bounteous harvests a nation ever enjoyed.

This is the result of the “American System,” as regards a branch of industry, which has been universally thought to have been more benefited by it than any other.

Let us now go back for 13 years immediately preceding the origin of the protecting system; and we shall then see what has been the effect of the free trade policy upon the coasting trade; or, as it is justly termed in some of the extracts we have given, “that *primary interest*, so essential to our naval strength as well as our commercial enterprise and national prosperity.”

The returns for 1804, which was 13 years prior to the commencement of the restrictive or anti-commercial system, give 369,873 as the quantity of enrolled and licensed tonnage, or tonnage not employed in foreign trade, against 571,458 tons for 1816; thus exhibiting an increase in 13 years of 201,585 tons, equal to 55 *per cent.*, as the result of the *free trade policy* upon this interesting branch of business, employing as it does, directly and indirectly, ten times as many persons as are benefited by the prohibitory and taxing system.

Thus it is found, on reference to *facts* affording the most perfect evidence which can be desired, that the comparative effect of the free trade and the exclusive system upon our coasting tonnage, according to the last Custom House returns, has been as 55 to 34.

down to us from the darkest ages of ignorance and barbarism, on which the “*American System*” is founded, no one can for a moment doubt, who is conversant with the productions of his mind. But we soberly appeal to all rational, reflecting men, who are under no political or pecuniary bias upon this question, whether a cause which leans on such arguments for support, can really merit the name of “*American System*?”

Yet in the face of these facts, which have been promulgated frequently in the papers favorable to the national interests, the New York Convention asserts, that the "manufacturing establishments have *vastly* increased the coasting trade, and that, within the last few years, *it has augmented beyond all computation.*"

But in order to perceive the full effect of the exclusive system in its injurious consequences upon the coasting trade, we must compare the tonnage now engaged in it, with that amount which would have been employed, had we persevered in the free trade system.

The tonnage not employed in the foreign trade in 1817 was 590,186 tons. The ratio of increase from 1804 to 1816 inclusive, being the 13 years of free trade prior to the first anti-commercial tariff, was *55 per cent.*, though in that interval our coasting trade was interrupted and its growth checked by four years of embargo and war. It will then be much within bounds to assume, that a continuance of the free trade policy would have given us as great a ratio of increase in the coasting trade from 1817 to 1829, as is exhibited by the returns from 1804 to 1817; namely, *55 per cent.* If, then, we add *55 per cent.* to 590,186, the returns of 1817, it gives 914,788, as the quantity of coasting tonnage we should have had, if the free trade system had been maintained, against our last return of 610,654. Still, with these facts at hand, familiar as they are to every intelligent merchant, the advocates of the national interests are denounced at every tariff meeting, for their perversity in denying the beneficial effects of the "American System" to the internal and coasting trade of the country.

We have shown, that, in the period of 13 years, our coasting tonnage, while we were under a free trade system, increased *55 per cent.*, though for nearly one third of that time the country was scourged by embargoes and war, which necessarily retarded the growth of the coasting business more than any other except foreign commerce. But, fully to appreciate the beneficial effects of a free trade policy upon the coasting business, we must go back to a period when it was unrestrained and unmolested by embargo or war, and see what was the increase under more favorable circumstances than existed between the years 1804 and 1816.

If, then, we go back 13 years, commencing with 1791, and ending with 1803, it will be found that the returns for the former year give 139,036, against 351,990 tons of coasting tonnage for the latter; thus exhibiting an increase of 212,954 tons, equal to *153 per cent.*, in 13 years, while undisturbed by wars and embargoes; or, what has still oftener proved fatal to the commercial interest of nations, those governmental regulations, legislative contrivances, and protecting systems, founded upon erroneous notions long since exploded by every writer and statesman whom it would be creditable for a man of sense to quote as an authority to sustain his principles.

There is one circumstance for which some allowance should be made in comparing the tonnage returns of the present day with those of a former period ; namely, that by a new and improved mode of constructing ships, there is, in a given number of tons, an increased capacity for carrying goods. This alteration, however, in building, has been confined mainly to one class of vessels, and for the most part to those built in some of the New England States. The navigation engaged in the fisheries, in the whaling business, and the coasting trade, together with the vessels employed in many branches of our foreign trade, are still constructed much upon former models. So that an allowance of 50,000 tons would be a large abatement from the estimate of what our whole tonnage would have been, but for our abandonment of the free trade policy.

There is, too, another consideration, to which, however, in our apprehension, more weight has been given than is justly due, as bearing on this question ; viz. the favorable effect of the wars in Europe upon our commerce and navigation. . It is true, that in the early stages of those wars, both those branches of business, which were then just beginning to rise from that state of depression to which they had been reduced by the revolutionary struggle, were materially benefited ; inasmuch as we then enjoyed the carrying trade of those nations, which were embroiled in the European wars. But it is equally true that, during the progress of those wars, we suffered more than we gained by any advantages we had enjoyed from our neutral position ; especially if we estimate the losses incident to those measures which our own government thought it expedient to adopt, in consequence of the injuries we sustained from the belligerents—namely, embargoes, restriction and war.

We apprehend, however, there can hardly be a doubt on any man's mind, who has reflected upon the subject, that, from 1804 to 1816, our commerce and navigation suffered more injury than they derived benefit from the wars of Europe ; especially if we take into view the losses incident to our own measures of defence, consequent upon those wars. Yet, as we have shown, our foreign navigation, during that interval, increased at the rate of 19 *per cent.*, and our coasting navigation at the still greater rate of 55 *per cent.* ; while in the subsequent 13 years of profound peace and general prosperity, our coasting tonnage increased only 3½ *per cent.*, while our foreign navigation decreased 19 *per cent.*, exhibiting the mortifying fact of a reduction from 809,724 to 650,142 tons, which, however, is more than can be profitably employed, while taxed and oppressed by a "protecting" system.

In regard to the increase of the coasting trade, the public has been led into error by statements, constantly published and repeated, setting forth the immense quantity of produce transported from the Southern and Middle States to the manufacturing States. "A mil-

lion barrels of bread-stuffs," says the New York Address, "are imported every year into the Eastern States." No one will dispute this fact. Indeed we had supposed the importation much greater—especially when it is considered that a large portion is re-exported; which exportation would be vastly greater but for the high duties, that, by excluding foreign goods, deprive foreigners of the means of paying for and consuming our bread-stuffs.

But why do the restrictionists dwell upon the fact that New England imports bread-stuffs for consumption as if it were something new, or that the consumption were caused by the Tariff; when it is notorious to every man familiar with our commercial history, that New England has, for a hundred years at least, been in a considerable degree dependent on importations of bread-stuffs from other States, having for more than that period been a navigating, commercial and manufacturing people? There cannot be a greater error than to imagine that New England has an increased population to consume the agricultural products of other States, in consequence of the exclusive and anti-commercial system. New England no doubt has more persons engaged in the manufacture of cottons and woollens, than she would have had, under a free trade system; but these branches of industry, at least *that portion of them which lean on high duties for support*, are comparatively of no moment whatever, when contrasted with the employment afforded by commerce, navigation, agriculture and the mechanic and manufacturing arts generally—all of which are burdened with restrictions and taxation, that New England may make a few more millions of cottons and woollens, than she might do if free from these evils. But where there is one additional individual, supported by manufacturing cottons and woollens, there are at least two deprived of employment, by diminution of commerce and navigation.

New England, then, has probably less population than she would have had under a well-regulated commercial system; for not only have her commerce and navigation suffered, but she has fewer persons supported by manufactures, than she would have had under a low tariff of duties; inasmuch as the heavy taxes of 50 to 150 per cent. on flax, hemp, bar-iron, lead, wool, indigo, &c. lessen the occupation of the manufacturers, and *above all of the manufacturers of ships*—so important to the safety and welfare of the nation. We repeat, that there are two persons dependent on commerce, navigation and the mechanic and manufacturing arts, in New England, injured by the existing system, where there is one who is benefited by it; consequently, that its effect is to lessen the demand for bread-stuffs and other productions of the Southern and Middle States, much below what it would have been under a free trade policy.

The statements to which we have alluded, as indicating an increased demand, for the products of the agricultural States, have been

mainly instrumental in seducing the farmers of the Middle and Western States into a support of the "American System." They are told by those who had an interest in misleading them, that the tendency of this system is to raise the prices of wheat, tobacco, provisions and other productions of those sections; and that such has been its effects.

"The fact, too," says the New York Address, "that agricultural products have risen, whilst manufactured goods have fallen, furnishes the best proof that the fall of prices is to be mainly attributed to the competition of domestic labor." With regard to the fall of prices, after what has already been said upon that subject, we pass it by with this single remark;—that our opponents are just as correct in imputing that fall to the high duty system, as they were in asserting that, "agricultural productions have risen in price as manufactured goods have fallen." There is hardly a single agricultural staple of the Western, Southern or Middle States, which has not fallen, and greatly fallen in price, since the protecting policy commenced;—and they must continue to fall, if not in the money price, at least in *exchangeable value*, below what they would otherwise do—if the existing system is persevered in. For the necessary consequence of the "American System" is, to reduce the foreign demand for our agricultural staples, by refusing to take in exchange such payments as foreigners can alone make us in return for them. For instance, flour, on which fifty times as many persons lean for subsistence as on the *protected manufactures*, has been on the decline ever since 1817, and was lower, taking the average of the Philadelphia market, in 1830, than at any time since 1785, if we except four years only, and three of these are found to have occurred since the commencement of the protecting system.

But it may perhaps be asked, if it is our object to have it inferred from the facts and arguments here adduced, that because our coasting tonnage increased 153 *per cent.*, and foreign tonnage 65 *per cent.*, between the years 1791 and 1803, such a ratio of increase might afterwards be expected under any system? To this we reply that we do not undertake to maintain such a position, deeming it extravagant and unreasonable.

In 1789, our whole shipping was but 201,562 tons. The country was then just beginning to emerge from that state of disorder, distrust and poverty, incident to the severe struggles we had just passed through for the attainment of our independence. Under such circumstances, taken, too, in connexion with the impulse soon after given to our commerce and foreign navigation by the wars of Europe, it was reasonable to suppose that both these branches of business would increase in a greater ratio, than might be looked for in the ordinary state of a country, when those branches of industry are in a more natural condition. We shall not, therefore, take the

extraordinary growth of those years, as the measure of the future increase of our commerce and navigation.

On referring to former remarks, it will be perceived that we have taken the increase of our foreign tonnage at 42 *per cent.*, being the average of its increase during the period of free trade, when under the most favorable circumstances, together with an equal period when our navigation was suffering from the aggressions of the belligerents, embargoes, war; and certainly it cannot be considered an extravagant assumption to suppose, that it would have gone on increasing at this rate, from 1817 to 1829, had the restrictive system not been adopted;—and, in that event we should at this time have had 1,149,808 tons, from which deduct 50,000 tons for the new mode of constructing ships, and we should still have 1,100,000 tons employed in our foreign trade on 31st of December, 1829, instead of 650,142, the actual return at that period.

In our estimate of coasting tonnage, we pass by the ratio of increase of 153 *per cent.* between 1791 and 1803, and take that of a subsequent period of 13 years (nearly one-third of which we were suffering by war and embargo), and by applying this rate of increase of 55 *per cent.* to the 590,186 tons of coasting navigation we had at the commencement of the protecting system in 1817, we find 914,788 to be the quantity of coasting tonnage we should have had on 31st December, 1829, had the free trade system been continued, against the actual quantity, viz. 610,654, which stands on the Treasury Report as the return of that year.

In conclusion, we think that the facts we have presented *demonstrate* that the effects of the anti-commercial system have been to reduce our coasting and foreign navigation 753,992 tons below what it would have been under a free trade system.



THE EFFECTS OF THE
ANTI-COMMERCIAL SYSTEM
UPON
THE EXPORT AND IMPORT TRADE
OF THE COUNTRY.

WE shall now examine the position of Mr. Clay, and other advocates of restriction, in which it is asserted, that our foreign commerce has been cherished, extended, and is now in a state of rapid advancement.

It will not be denied, we imagine, even by the most dull or disingenuous opponent, that the object and effect of the high duty system, are, to keep out of our markets foreign goods, which would otherwise come in competition with similar domestic productions. If such is not the practical operation of the tariff laws, they do not accomplish the purposes of those by whose influence they were enacted; viz. to raise the prices of woollens, iron, glass, sugar, hemp, &c. 25 to 50 *per cent.**

Now it appears to us, that there is no principle in political economy more firmly settled, and more universally admitted, than that commerce is the exchange of equivalents—the bartering the superfluous commodities of one country for those of another country; and consequently, in commerce, nothing is either given or received without

* "Prohibiting the introduction of foreign manufactures," says the North American Review, in an article ascribed to Mr. E. Everett, "or imposing taxes on them, can benefit the manufacturers only so far as it tends to increase the price in our own market, of the articles whose importation is thus restrained, and is therefore, as this difference of price is paid by the consumer, a *tax on the community*, the effect of which is to encourage the production of these articles at home, whereas it does not need encouragement, if it is the most lucrative employment, *and ought not to have it, if it is so.*"

adequate returns.* This principle is affirmed by an authority, to whom we have often referred as among the ablest defenders of the free trade or national system, and who at the same time enjoys the confidence of our opponents. "We inhabit a various earth," says Mr. Webster, in his speech of 1824; "we have reciprocal wants, and reciprocal means of gratifying them. This is the true origin of commerce, which is nothing more than the exchange of equivalents; and from the rude barter of its primitive state, to the refined and complex state in which we see it, its principle is uniformly the same, its only object being, in every stage, to produce that exchange of commodities between individuals and between nations, which shall conduce to the advantage and happiness of both. Commerce between nations has the same essential character as commerce between individuals, or between parts of the same nations." Again; the same principle is maintained by a man who was still better qualified by experience, study and reflection, to discuss this question, than even the distinguished statesman we have cited. We mean the profound and philosophical Franklin, one of the earliest advocates of free trade and free government—resting, as they both do, on the same principles for their support. "The produce of other countries," says Franklin, in one of his essays, "can hardly be obtained, unless by fraud or rapine, without giving the produce of our land or our industry in exchange."†

If this doctrine is correct, it follows that our import and export trade must depend upon each other, and any system of laws, which diminishes one, must diminish the other.

An act lessening imports must in the same degree lessen exports; so that if it were possible for a country to carry out the prohibitory principles on which our commercial policy is now based, there must necessarily be an end to all export, as well as all import trade.

Even Mr. Rush, the most extravagant and credulous believer in the benefits of monopolies and restrictions, admits this when he says, "It is manifestly what we send abroad which must in the end give the true measure of what we are to receive from abroad." This, to be sure, was in the face of an accompanying declaration, that there was no reason to suppose the Tariff of 1828, which was prohibitory

* "Commerce" says Mr. Webster, "is not a gambling among nations for a stake to be won by some and lost by others. It has not the tendency necessarily to impoverish one of the parties while it enriches the other. All parties gain, all parties make profits, and all parties grow rich by the operations of just and liberal commerce."

† "If, as is sometimes asserted, apparently to excite our national prejudices, foreign nations will not take our products—the fruits of American capital and industry, we may save ourselves the trouble of adopting any retaliating measures in the shape of duties, prohibitions or otherwise. If our products are not taken by foreign nations, it is quite obvious that we must necessarily cease to take their fabrics, and of course the home manufacturer will have the exclusive enjoyment of the home market, with or without duties."

Chief Justice Shaw, Boston Memorial, 1827.

of many articles, would lessen exportations ; which is indeed affirming, that an export and import trade are not dependent upon each other.* This however is in utter contradiction of his first proposition ; for if it be true, that what we send abroad will be the measure of what we are to receive from abroad, it must necessarily follow that what we receive from abroad will be the true measure of what we send abroad in payment of our imports.

"The extent of the prosperous commerce of a nation," says Mr. Adams, in his last Message, " must be regulated by the amount of its exports, and an important addition to the value of these will draw after it a corresponding increase of importations."†

Nothing can be more true than what is here advanced, and the converse of the proposition is equally true, that a decrease of importations will draw after it a corresponding decrease of exportations. The import and export trade must keep pace with each other. Nations cannot receive goods from abroad, without sending an equal amount abroad in payment for them.

If, therefore, we cease to import, we necessarily cease to export. This is one of the elementary and immutable principles of trade which may be evaded or denied, but it cannot be shaken. If, then, high

* The object of the Tariff party, ever since the first encroachments by the act of 1816, which was supported by most of the States, not upon the principles of prohibiting importations permanently, but as giving a temporary and moderate protection to certain branches of manufacturing, which had grown up under war duties, and which without this aid would have been prostrated and ruined, has been to prohibit importations. From the Memorial advocated by Mr. Webster, in 1820, we make the following extract, showing what were then the views of one of the leading partisans of the manufacturers—we mean Mr. Henry Baldwin, of Pennsylvania. " In the elaborate defence of the system by the chairman of the committee, (Mr. Baldwin,) *who invented it*, we find it repeatedly asserted, ' that we must command our own consumption.' Happily for us, this phrase is interpreted in the same speech, and it means, as it seems, that we must have neither imports nor importations ; in plain English, that we must use nothing but our own productions."

† Mr. Adams has been claimed, by the Tariff party, as an advocate of high and prohibitory duties ; but no evidence of the truth of this allegation has been exhibited, in any of his communications to the public that we have seen. The following extract from his last Message to Congress shows his opinions with regard to the existing Tariff:—

"The Tariff of the last session was, in its details, not acceptable to the great interests of any portion of the Union, not even to the interest which it was specially intended to subserve. Its object was to balance the burdens upon native industry, imposed by the operation of foreign laws ; but not to aggravate the burdens of one section of the Union by the relief afforded to another. To the great principle sanctioned by that act, one of those upon which the Constitution itself was formed, I hope and trust the authorities of the Union will adhere. But, if any of the duties imposed by the act, only relieve the manufacturer by aggravating the burden of the planter, let a careful revisal of its provisions, enlightened by the practical experience of its effects, be directed to retain those which impart protection to native industry, and remove or supply the place of those which only alleviate one great national interest by the depression of another."

Mr. Adams, in common with intelligent men of all parties, is in favor of encouraging manufactures ; but he is opposed to resorting to expedients for the promotion of that object, which are injurious to the rights and interests of other classes.

duties have had the effect to diminish importations, they must also have diminished exportations about in the same ratio.

This is a proposition, from which a mind that has duly reflected upon the subject, can no more withhold its assent, than from the arithmetical truth that two and two are equal to four, or that the whole is greater than a part. Yet the most imposing arguments in favor of the restrictive policy, proceed upon the assumption, that our export trade has not been diminished by the exclusion of foreign importations, and that such is not the tendency of that system; and this belief, so contrary to the facts we shall hereafter adduce, is entertained by thousands of the deluded supporters of what is termed the "American System."

As this self-evident principle is, however, disputed by some, and misapprehended by a still greater number of those who have not reflected upon the subject, we will attempt to explain and illustrate its practical operation, by applying it to a branch of commerce among the most familiar to us all.

The island of Cuba has a soil, climate and population, best suited to the cultivation of certain staples; namely, coffee, sugar and molasses. These productions of her soil and labor constitute nearly her whole available means of paying for such articles as she does not produce, but which are indispensable for the subsistence and comfort of her inhabitants.

These islanders have found from experience, that, among the articles they require for their consumption, lumber, bread-stuffs and other provisions can be procured on better terms from this country than from any other; and accordingly they annually take from our merchants to the extent of three to four millions of dollars worth of those commodities in exchange for the great staples of that island. This is a trade which to men of common sense is considered like an interchange of products between two states of the confederacy, and clearly beneficial to both parties. Still, we are told by statesmen and politicians who advocate the "American System," that such an interchange implies dependence on a foreign nation, utterly derogatory to the dignity and honor of a free and enlightened nation.*

Let us imagine, then, that Congress, in pursuance of the principles

* "The independence of my country" says Mr. Clay, in one of his speeches, "on all foreign states, as respects a supply of all foreign wants, has ever been with me a favorite object."

To be independent of foreign productions by having them cheaper at home, is certainly a benefit; but to increase the cost of many of the necessities of life, to diminish our commerce and lower the value of all our productions, or, in other words, to lessen our means of support in order that we may be the more independent, is a most extraordinary expedient for attaining that end; and will certainly immortalize the statesman who first carries that principle into successful operation.

which have of late prevailed in the regulation of our commercial policy, should impose such high duties on these foreign staples as will prevent their importation. Is it not evident, that by such a measure we should deprive the inhabitants of Cuba of the means of paying for our productions; and that consequently our exportations would be diminished in the sum of 3 to 4,000,000 dollars *per annum*, the amount of produce formerly taken from that island, but now excluded by prohibitory duties?

It appears to us that no rational and candid man can doubt or deny, that such must be the effect of excluding the produce of Cuba; and if true with regard to the commerce of that island, it must be equally so, in respect to other branches of commerce.

But it will be urged by those who consider gold and silver as wealth, and the only thing in existence which merits the name of wealth, and therefore the principal, if not the sole object of foreign trade, that a refusal to take the products of Cuba would not disable her from buying our productions, because she would pay for them with those metals. Now the idea that gold and silver are to be viewed as distinct from all other exchangeable commodities, and as of more value to a nation than cotton, lead, iron, sugar, wheat, or any other article of merchandise, which at any moment may be exchanged for those metals, implies an ignorance of commerce and of the nature of wealth,* extremely discreditable to men who aspire to the highest offices in the nation, and who hold themselves up as the founders of an improved system of national policy. Yet absurd and preposterous as is the notion of the beneficial effects of accumulating the precious metals beyond the wants of a nation, it is one of the fundamental principles of the "American System," as explained and defended by its most influential, if not its most intelligent advocates.

Now it is wholly impossible for any nation to pay for their impor-

* "That the welfare of any state depends on its keeping all its gold and silver, either in bullion or in coin, must be founded on a very narrow principle indeed. *All the Republics we know of, wisely think otherwise.* Spain, the grand source of silver, allowed the free exportation of it, paying a duty as in Great Britain lead and tin do; nor could the penal laws in Spain, prior to this permission, hinder its being exported; for it was a commodity, which that kingdom was under a necessity of giving as an equivalent for what was furnished to them by other countries.

"Could Spain and Portugal have succeeded in executing their foolish laws for 'hedging in the cuckoo,' as Locke calls it, and have kept at home all their gold and silver, these metals would, by this time, have been of little more value than so much lead and iron. Their plenty would have lessened their value. We see the folly of these edicts; but are not our own prohibitory and restrictive laws, which are professedly made with an intention to produce a balance in our favor from our trade with foreign nations to be paid in money, and laws to prevent the necessity of exporting that money, which if they could be thoroughly executed would make this money so plenty as to be of little value—are not, I say, such laws akin to those Spanish edicts—follies of the same family?"

Franklin in Defence of Free Trade.

tations with gold and silver. Even the mining countries the most productive, could do so only to a partial extent, while the supply in other countries is limited to their manufacturing and circulating wants.

The basis of commerce, then, between all nations, must be exchange of commodities other than the precious metals. The metallic wealth, in the form of precious metals, is utterly insignificant, compared with the entire wealth of the world.

The value of all the coin in circulation is below the annual value of the productions of Great Britain; while the annual supplies of gold and silver from all the mines in the world are less in value than the iron and the manufactures of iron of Great Britain; and would be insufficient to meet the payment of our yearly exportations of produce. It is surprising, therefore, that with these facts in view, familiar as they are to men of common intelligence, that public men, who undertake to lead and enlighten the nation, should persist in a course of reasoning, founded on such erroneous and long since exploded notions of the nature and use of the precious metals.

In the second place, if Cuba or any other country with which we trade, had the means of paying for the productions they take from us, in gold and silver, those metals would be of no value to us, except for re-exportation, beyond what is requisite as a material of manufacture and to keep our currency in a sound state; and for these purposes, we now have and always have had a sufficiency; nor can any nation which has articles of exchangeable value, long be without them, since there is no species of merchandise that can so easily, so cheaply, and so quickly be transferred from one country to another, as the precious metals. If the \$20,000,000 of coin, or whatever is required for our circulation, should be annihilated, it could all be replaced in less than three months, and there would not be so much inconvenience to the nation at large, as the annihilation of the same amount of wealth in the form of iron and salt or any similar articles, so much more essential to the existence and comfort of man than silver or gold. There are substitutes for gold and silver coin, but none for iron and salt, and it would require much longer time to replace their loss, than that of the coin necessary for our circulating medium.*

We do not mean, however, to deny the importance of the precious metals, as performing a useful office in regulating our currency; but any increase, beyond what is wanted for that purpose and for manufacturing, would, like any other superfluous merchandise, be of no value, except to be sent abroad and exchanged for articles of which we are really in want.

* This delusive notion, as to the practicability and usefulness of obtaining specie in payment for our exports, instead of other commodities of greater utility, finds supporters among the most intelligent advocates of the "American System," as well as the most ignorant.

Mr. E. Everett, to whom are attributed some of those excellent essays, which

Nor, on the other hand, if, in accordance with the views of those who consider an unlimited accumulation of the precious metals as essential to the prosperity of a nation, it were possible by legislative enactments (which fortunately it is not) to retain double or quadruple the quantity we now possess, would it be of the least utility to the nation; as the only effect would be to sink its value, and thus perform the business now perfectly well performed with 20,000,000 dollars with the increased quantities of 40, or 80,000,000 dollars.

In such a case, the retention of this superfluous amount of coin, instead of benefiting the nation, would burden it by the employment of 20 or 60,000,000 dollars of unproductive capital, in the form of an unnecessary and useless addition to our metallic currency.

Why, then, are we told by the New York Convention,* by Mr. Rush, Mr. Carey, Mr. Niles, and other advocates of the restrictive

formerly appeared in the North American Review, exposing the folly and wickedness of monopolies and restrictions, makes the following remarks in one of his speeches:—"In reply to the suggestion that the Southern planter had the option to take specie in return for his exports, it was argued by the gentleman from South Carolina, that England, having no mines, had no specie to give,—that if she had, we had no use for it, as it is not an article to be consumed. It was justly argued by my colleague (Mr. Gorham) that though England had no mines, she nevertheless was the great specie market of the world." To this we reply, that specie accumulates in England, occasionally, as it does here, and is sent abroad as with us, to exchange for other merchandize; but it does not follow from this that England could pay for the products we send her in specie. In truth, all that she exports would be insufficient to pay for any considerable portion of the cotton we send her; but, if she would send us the 25,000,000 dollars a year, which she takes of our produce, in specie, it would be of no use to us, except to send abroad again in exchange for those articles, which it is the object of the "American System" to exclude from the consumption of this country.

The following extract from an article in the North American Review, attributed to Mr. Everett, lays down the correct doctrine:—"The trade with the East Indies is condemned because it is said to diminish the specie in the country, and that this necessarily impedes the public prosperity. Both assertions are erroneous. A great and constant demand in any place for specie, as for other property, no matter how it is to be used, *tends to make it more abundant and cheaper, by establishing a steady and extensive market for it.*"

* "A reduction in the price of exports, following an excessive importation, causes a state of exchange which leads to an exportation of specie; the moment this exportation touches that portion of the precious metals, necessary to sustain the money circulation, the operations of the banks become embarrassed, and distress and dismay are spread through all classes."—*New York Tariff Address.*

If what is stated in the above extract be true, we cannot perceive any tendency in the anti-commercial system to remedy the evil. In fact, the fall in the prices of exports, instead of leading to an exportation of specie, produces the opposite effect, by inducing exportations of the fallen products, and thus increasing the fund abroad for the payments which are required to be made, and consequently prevents the necessity of exporting specie.

That this and every other country is sometimes incommoded by a scarcity of specie, and sometimes by a superfluity of it, no one will deny: but it is the effect of free trade to remedy both these evils. A scarcity of coin is most commonly produced by over issues of bank paper; and then the exportation of specie, though a temporary evil, is an eventual and permanent good, by compelling the banks to withdraw the excess of paper, and thus restoring the currency to a sound and healthy condition.

system, of the benefits of retaining specie and the evils of exporting it, as if the commerce in gold and silver were not to be conducted precisely upon the same principles that regulate all other commercial operations, and which are too well understood by practical men to need any advice or aid from politicians, statesmen, or journalists, especially of that class who have evinced a degree of ignorance that must render interference from them peculiarly dangerous?

But still it will be contended, that the doctrine maintained by the national party with regard to the nature and use of the precious metals, is but a theory, and though sound in itself is not sustained by practice. Facts, we shall be told, are against us, and the popular objection to foreign commerce, that it drains the country of specie, again returns.

"The importation of foreign goods," says Mr. Carey in one of his essays, "*drains us of our circulating medium.*" It is true, that the exportation as well as importation of specie, is one branch of our foreign trade, though quite unimportant compared with many others.

When specie and bullion accumulate beyond the wants of the nation, they fall in value, and, like any other merchandise, become an object of speculation to the merchant, who finds his account in exporting them. On the other hand, when they are scarce, they rise in value, and it becomes an object to the merchant to import them; and in both instances, this commerce, if advantageous to those who are engaged in it, must be so to the nation.*

* We again refer to Mr. Webster in support of our views of this subject, as an authority meriting the confidence of every one, who wishes to possess correct notions upon the true policy of a nation in regard to commercial restrictions. Few men have defended the doctrine of free trade with more ability and more success than he has done.

"There are no shallower reasoners than those political and commercial writers, who would represent it to be the only true and gainful end of commerce to accumulate the precious metals. These are articles of use and articles of merchandise, with this additional circumstance belonging to them, that they are made, by the general consent of nations, the standard by which the value of all other merchandise is to be estimated.

"There may be of these too much, or too little in a country at a particular time, as there may be of any other articles. When the market is overstocked with them, as it often is, their exportation becomes as proper and as useful as that of other commodities, under similar circumstances. We need no more repine when the dollars which have been brought here from South America are despatched to other countries, than when coffee and sugar take the same direction."

Again—"We have no occasion for the precious metals as money, except for the purposes of circulating, or rather of sustaining a safe paper circulation; and whenever there is a prospect of a profitable investment abroad, all the gold and silver, except what these require, will be exported. For the same reason, if a demand exist abroad for sugar and coffee, whatever amount of those articles might exist in the country beyond the wants of its own consumption, would be sent abroad to meet that demand."

It is impossible to explain this subject in a more concise and clear manner, than Mr. Webster has done; and yet the very men, who have read his speeches and praised them for their able defence of the great doctrines of free trade, now assemble together in conventions to proclaim to the nation the evils of exporting the precious metals.

The statements, however, which represent the foreign trade as draining the country of *specie*, are not true in the sense in which they are commonly meant to be understood by those who make them. The impression which they generally wish to make is, that foreign trade diminishes the *specie* in the country. The facts, however, prove just the reverse. The importations of *specie* more than counterbalance the exportations. Both are the effects of free trade, the tendency of which is to keep a country supplied with an abundance of all commodities, *specie* as well as other kinds of merchandise. The importations and exportations of *specie* vary in their relative proportions like all other articles of trade. On reference to the Treasury returns, we find the exportation of *specie* and bullion for 1830, including domestic manufactured coin, was 2,178,773 dollars, while the importations amounted to 8,155,964 dollars. The aggregate exportations for 1829 and 1830 amounted to 7,102,803 dollars, while the importations amounted to 15,559,576 dollars; and as the consequence of this excess of importation beyond the wants of the country, it will probably be found from the next returns, that there has been an excess of exportations over importations.

The aggregate importations of *specie* for seven years, commencing in 1824 and ending with 1830, amounted to 52,611,148 dollars against an exportation of 45,277,300 dollars.

The excess of importation arises from a very obvious cause; namely, that in a country increasing as rapidly as this does in population and wealth, there is an increasing demand for the precious metals, both for circulation, and for the purposes of manufacturing.*

* As one of the numerous instances of ignorance or misapprehension upon this popular topic of a drain upon our *specie*, we present our readers with an extract from the proceedings of a meeting at Uniontown, in Pennsylvania, for the choice of delegates to the New York Tariff Convention. At the head of the committee stands the name of Mr. Andrew Stewart, formerly a member of Congress.

"Resolved that whilst we see more than 20,000,000 dollars annually exported to purchase foreign iron, woollen and cotton goods alone, which we have abundant means of producing at home, sound policy would require that the present Tariff should be rather increased than diminished, so as to save and circulate this immense sum among our farmers and manufacturers, rather than send it to enrich other countries, excluding our produce by prohibitory laws."

This same gentleman, whose name is connected with these resolutions, asserted in a former publication, that Great Britain took annually less than 500 dollars of agricultural produce of all the States north of the Potomac and Ohio. So far, however, was the assertion from being true, that Great Britain and her colonies took upwards of 5,000,000 dollars of the productions of the States referred to, in the very year Mr. S. published his speech; and she takes of flour and flax-seed, corn, lumber, beef and other Northern productions, more than any other nation, and of some of those staples more than all the nations with which we trade.—There are other assertions in the resolutions referred to, equally at variance with truth as those we have noticed, and it is by such misrepresentations that the existing system is maintained. The trade with Great Britain has been an object of violent hostility with the advocates of the prohibitory system, because it is from that country we receive those articles which interfere the

There will be an exportation and an importation, but the influx will be greater than the efflux. The effect, then, of free trade, is, to keep in a country an abundant supply of the precious metals in common with all other articles of commerce, while the tendency of a restrictive system is to discourage importations of specie in common with all other commodities.

Still, it will be urged by our opponents, as it has continually been done by the leading advocates of restriction, that the inhabitants of Cuba will take their supplies from us, because they are cheaper than elsewhere. But this is in direct contradiction to the doctrines always held by Mr. Binns, Mr. Baldwin, Mr. Niles, Mr. Carey, Mr. Tibbets, and other prominent individuals who uphold the system of raising and manufacturing every thing at home which a country can produce, cost what it may (as in the case of woollens, sugars and iron protected by duties of 45 to 200 *per cent.*), in preference to procuring it from other countries, in exchange for the products of our land and labor. If, then, these islanders were to be influenced by the doctrines of Mr. Clay and the example of our government, they would even now prohibit the importation of

most with our own protected productions. But of our domestic produce, Great Britain and her colonies take a larger amount than all parts of the world besides. From 1824 to 1830, inclusive, being 7 years, our exports of domestic produce to Great Britain and her colonies amounted to 199,152,627 dollars, and to all other parts of the world, 196,250,910 dollars. It is however alleged, on the part of the restrictionists, that Great Britain will not take Northern productions. Such, however, is not the fact, as will appear by the following statements of exports from 1824 to 1830.

EXPORTS FROM 1824 TO 1830.

To Great Britain and her Colonies.		To all other places.	
Flax-seed,	\$1,573,208	- - - -	227,526
Flour, - - - -	10,859,806	- - - -	23,819,587
Lumber, - - - -	3,632,115	- - - -	8,568,436
Pork, Bacon and Lard, -	2,064,145	- - - -	9,010,416
Ashes, - - - -	3,866,205	- - - -	3,968,532
Indian Corn, - - - -	1,308,065	- - - -	1,493,052
Horned Cattle, }	1,024,189	- - - -	3,332,240
Tallow, Hides, }			
Oak Bark, - - - -	331,962	- - - -	499,381
Ship Bread, - - - -	451,336	- - - -	977,092
Leather, Boots }	564,501	- - - -	2,839,546
and Shoes, }			
Skins and Furs, - - -	2,631,718	- - - -	1,373,094

Of Southern products, Great Britain and her colonies take a much larger proportion, and the proceeds of these goods are to a very great extent expended in the Northern States for Northern manufactures and other productions; and yet the commerce with England is frequently represented as of little value to the Northern and Western sections of the Union, and in many instances even as injurious to the nation.

With regard to the exportation of specie, we find that in 1830 our whole export to Great Britain was 132,483 dollars, while we imported from thence 144,231 dollars. Our whole exportation of specie and bullion to Great Britain from 1824 to 1830 was 5,111,979 dollars, being equal to about $2\frac{1}{2}$ *per cent.* of the amount of our domestic exports to that country and her colonies.

our staples, though they might cost two or three times as much as if raised within themselves. Indeed, if the doctrine of our opponents can be relied upon, the higher an article costs, the more beneficial it is to the country. When an advocate of the free trade policy demonstrates, beyond all doubt or contradiction, that a domestic production costs more than a foreign one of equal goodness, how is he answered? Why, that it is still better to produce it at home, because the production of it employs domestic capital and labor. Now, if this position is a sound one, then it inevitably follows, that the more a thing costs, the more advantageous it must be to the nation, because the more capital and labor are employed in its production. This is placing the doctrine of the "American System" in a strong point of view; but there is not a leading principle advocated by its most ingenious champions, which, if analysed and pushed home to its practical consequences, will not result in a similar absurdity. But it is not necessary to imagine that the people of Cuba will be so dull or so perverse as to adopt what is termed the "American System," to enable them to perceive, that, in case we refuse her productions, she must also refuse ours, since that must follow as an unavoidable consequence. She will be compelled to seek her supplies where they can be had in exchange for her staple productions; and if there is no nation that will deal with her on those terms, it will then be her interest to produce them within her own territories.

We say, then, that the unavoidable consequence of refusing to take the productions of other countries, is, to disable them from taking our productions; and as this is the object and effect of the existing system, we maintain that it must have lessened our exportations as well as our importations.

Of the destructive effects of the high duty and prohibitory system upon our export trade, we could adduce as an example, the commerce with Spain, and with Portugal and her colonies. When we admitted the productions of those countries at about one-fifth of the duties they now pay, they took in exchange from us about 4,000,000 dollars *per annum*, and occasionally a much larger amount of our agricultural productions; but under the present excessive and prohibitory rates, our exports to Spain and to Portugal and her colonies, have not for some years averaged over half a million of dollars.

Poor as those nations are, they cannot exist without an annual expenditure of at least 200,000,000 dollars worth of food; and as we can supply many articles of consumption lower than they can raise them from their own soil, there is no question that an admission of their brandies, wool, wines, lead, salt, fruits, oil and other productions, at low duties, would enable them to take in exchange

for those staples, eight or ten millions of our agricultural productions, instead of the half million which we now send to them.*

Such have been the effects of the high duty system on this branch of commerce. It has added 25 to 50 *per cent.* to the cost of some of the necessities of life which are produced in those countries, and at the same time lessened the value of our agricultural productions by depriving our customers of the means of buying them; and such must be the effects of all restrictive and prohibitory systems under whatever plausible or deceptive names it may suit their contrivers to disguise them.

Let us now bring the principles here laid down, with regard to the effects of high duties, both upon exports and imports, to the test of experience, by applying them to facts, which our opponents have so often challenged us to produce, but which they themselves most carefully avoid, preferring assertions which may pass without examination or without exposure, to facts, which, produced, must show the falsity of their assumptions, and the absurdity and injustice of their principles and their pretensions.

It will, no doubt, be conceded, by unprejudiced minds, that the facts we have exhibited, showing an actual falling off in our navigation in foreign trade from 809,724 to 650,142 tons, since the commencement of the anti-commercial system; together with the well-grounded belief, that under a free trade policy it would have been extended to 1,100,000, afford sufficient evidence of the withering and destructive effects of the protecting system upon the export and import commerce of our country. We shall not, however, rest wholly on this evidence, conclusive as it might well be deemed to be in the absence of any other proofs, but proceed to lay before our readers the statements of exports and imports from official records, going back to the origin of the statistical tables, which commence in 1789.

The first act in the series under the non-importation and non-ex-

* That the doctrine of prohibition is the doctrine of the annihilation of commerce, as far as prohibition extends, we are supported in maintaining by Mr. Webster, in his speech of 1824, from which we extract the following passage:—"Allow me to ask, sir, if the doctrine of prohibition, as a general doctrine, be not preposterous. Suppose all nations to act upon it, they would be prosperous, then, according to the argument, precisely in the proportion in which they abolished intercourse with one another. The less of mutual commerce the better, upon this hypothesis."

This, however, is the result which Mr. Justice Baldwin, and other leaders of the Tariff party sought to produce by the introduction of the "American System;" and this is what is meant by him, when he tells us, that the country ought to command its own consumption. That such a system would raise the price of iron in Pennsylvania, which appeared to have been one of the principal objects of his efforts, there is no doubt; but how it can give the nation any more command of its own consumption than it would have under a free trade system, it is not easy to perceive, nor has he undertaken to show. Yet it is by such plausible terms, that the country has been deluded into the present system, which has lessened her prosperity, and weakened the attachment of many of our citizens to the Union.

portation policy, went into operation on the 1st July, 1816; but the duties not being so excessive as those since imposed by the acts of 1824 and 1828, that law did not operate so heavily on our commerce as the subsequent tariffs have done. The measure, too, was an experiment, and our importing merchants did not then know, as they now do, how fatal it would prove to their business; and consequently they went on importing, till they were impoverished or ruined by the excessive duties which were exacted of them.

Under a misapprehension, then, as to the extent to which the act of 1816 would operate, our merchants continued the export and import trade till 1819, when it was found that our exports were \$23,138,612 less than in 1818. Of the imports, no official returns were published till 1821;* but that there had been a great falling off is apparent from the revenue return of 1819, which gives only 17,116,702 dollars for duties on foreign goods against 32,395,061 dollars, the average amount of net revenue on foreign importations for 1816, and 1817. Does not this decline, both in our exports and imports, show, that each branch of commerce must depend upon the other,† and that when obstructions are thrown in the way of the import trade, they of necessity lessen, in the same degree, the export trade?

The first tariff act came fully into operation in 1819, and after that year, our exports began to decline rapidly, as will be seen on reference to the tables, though our population was increasing in a ratio never experienced in any other country. The average of our exports for 1816, 1817, and 1818, the three years prior to the full

* From a table, published in the proceedings of the Harrisburg Convention, it would appear that the value of our imports were 34,685,454 dollars less in 1819, than in 1818. The moment obstructions are thrown in the way of imports, there will be less demand for exports; because foreign nations which rely on us for supplies have no other means of paying for the latter, than by giving in exchange the productions of their labor; and however much they may want our goods, they must take a more limited quantity from the diminution of their means of paying for them. The operation upon our foreign export trade is precisely similar in its effects to a diminution of demand for the products of any one of our States, relying upon another State for the consumption of its products. For instance, suppose New England to be a foreign independent state, with power of compelling her population to supply themselves with bread-stuffs from her own soil which might be done by artificial contrivances, at about double the price at which they can be imported; and that instead of purchasing 1,000,000 barrels, as it is said she now does, from the Middle and Southern States, she should refuse to take any. What would be the effect of such a measure upon the commerce of those sections with which she formerly traded for corn?

Why, unquestionably, there would be a diminution of the exports from the grain-growing States, equal to 1,000,000 barrels bread-stuffs; and a like diminution of imports from New England of such articles, as the grain-growing States formerly received from her in payment for their grain.

† "Imports in the long run," says Mr. H. G. Otis, a distinguished advocate of the restrictive system, "cannot exceed exports," and consequently exports cannot in the long run exceed imports. If you deprive foreign nations of their only means of paying for what they require from us, there must be an end to all commercial dealings.

operation of the first act, was 87,624,358 dollars, while from 1819 to 1828, inclusive, making 10 years, the average amount of exportations was reduced to 75,937,473 dollars.

The act of 1828, having greatly increased the duties, diminished our importations, and consequently our exportations. The imports for 1828, which for the most part came under the duties imposed by the act of 1824, amounted to 88,509,824 dollars; but the first year's operation of that law reduced our importations to 74,492,527 dollars.

The importations from 1821, being the commencement of the Custom House returns, down to 1828 inclusive, a period of eight years, show an average of 81,657,998 dollars. The average importations for five years, viz. from 1821 to 1825 inclusive, was 80,059,122, with an average population of ten and a half millions, while the average of the last two years has fallen off to 72,684,738 dollars; and in 1830, with a population of thirteen millions, the amount of our importations had declined to 70,876,929 dollars.

Our exportations keeping pace with our importations have also declined to an average, for 1829 and 1830, of 73,104,089 dollars, thus evincing the correctness of our position, that the export and import trade depend upon each other, and that any laws, with whatever intent enacted, which lessen importations, lessen also exportations, and thus diminish the demand for our agricultural productions, *and consequently injure the cultivators of the soil more than any other portion of the nation.*

We have now shown, that since the first protecting tariff came into full operation upon our foreign commerce, our exports declined in twelve years, from 87,624,358 dollars to 73,104,089 dollars, being the average of 1829 and 1830; but it must be borne in mind, that the duties several years prior to the period in question, namely 1816 to 1818, were high, compared with those of an earlier period.

Let us, in order to test more accurately the effects of high and prohibitory duties, refer back to four years preceding the long embargo, which was the first interruption of the free trade policy; though that law was intended as a *conservative measure*, and not as an act designed perpetually to lessen and finally to annihilate commerce.

By the official tables from 1804 to 1807 inclusive, the average amount of exports is found to be 95,786,302 dollars. The imports not having been annually reported, we are unable to ascertain their amount for that entire period; but from 1799 to 1801 inclusive, they averaged 93,895,142 dollars. The average of population during this period was something under six and a half millions.

The population in 1830 was thirteen millions, while our exports have declined below 74,000,000 dollars, and our imports to some-

thing less than 71,000,000 dollars. Yet we are told by the New York Convention, by Mr. Clay, Mr. Carey, Mr. Niles, Mr. Everett and other leading opponents of the free trade system, that the predictions of the national party, who foretold the ruinous consequences of the "American System" upon our foreign commerce, have all been falsified.

But it may be said that the years selected by us were uncommonly prosperous, and not to be taken as a true criterion of the general state of our commerce. We will then go back to the commencement of the century, and we shall find the average amount of exports, from 1800 down to 1807, the year when our commerce was suspended by the embargo, to be 84,564,513 dollars, with about six millions of inhabitants, and incomparably less proportionate means than are enjoyed at this time, for the production and consumption of all the comforts and superfluities of life, on which an import and export trade must chiefly depend.

We have said that our exports should increase somewhat in proportion to our increasing wealth and population. The latter has doubled since our exports amounted to 84,564,513 dollars. In regard to the increase of wealth, we have no means of estimating it exactly; but we are prepared to appeal to any man of observation, who has lived long enough to make the comparison, whether it can be doubted that the great mass of the people have increased means of supplying themselves with the necessaries, comforts and luxuries of life, from the productions of our soil and industry, compared with what they enjoyed 25 years ago, although restricted and oppressed, for some years past, by impolitic and unjust enactments, which have deprived them of a considerable portion of their earnings. In other words, we contend that, not only has population doubled since we exported 84,564,513 dollars, but the wants of the people have doubled, and they have twice the means of satisfying those wants, which they possessed 25 years ago;—consequently, our export trade, had it not been "*protected*" by the contrivances of manufacturers, legislators and politicians, would by this time have been greatly augmented.

This augmentation should be somewhat in proportion to our increasing wealth, intelligence, and population; but the precise extent of it must, in some degree, be matter of conjecture.

There are, however, some data on which a judgment may be founded, that we apprehend will be satisfactory to the reasonable and candid inquirer; and with this view let us turn back and pursue our inquiries as far as official statements extend, that we may see the rate at which our export commerce increased, while the nation was governed, in her commercial laws, by those just, liberal, and patriotic principles, on which the free trade policy is founded.

The table of exports commences in 1790. The average amount for 1790 and 1791, was 19,608,598 dollars.

At this period the government had just been organized, and was hardly enough confirmed and settled to give confidence in its stability. The country had been exhausted by the expensive and severe contest with Great Britain, added to which, the public debt bore with great severity upon the nation, destitute, as she was, of the means of meeting the ordinary expenditure of government. We were, too, deprived of the aid of foreign capital, which our subsequent prosperity has enabled our citizens to avail themselves of, to the manifest benefit of the country. Still, such loans have been constantly denounced as *unpatriotic* as well as *unprofitable*, by the leading partisans and advocates of the *anti-national*, or, as it is often called, the "American System."

Under such circumstances, our commerce at first advanced slowly. The average of our exports for 1791, 1792 and 1793, was only 21,958,237 dollars. From the last mentioned year, however, they began to rise rapidly, and in 1795 amounted to 47,989,472 dollars; and at the end of the century had advanced to 78,665,522 dollars. This is nearly quadrupling in 10 years. But it could not be expected, after having arrived at the full benefit of the change from an unsettled government to a well established one, and to the enjoyment of a credit abroad, that we should still go on increasing at this extraordinary rate. We will, then, take the medium of our exports from 1791 to 1799, making nine years; and we find the amount to be 45,666,371 dollars. We will also take the average of our exports from 1800 to 1807, being eight years preceding the interruption of our trade by the embargo, and we find the amount to be 84,564,513 dollars.

If, then, we compare the average of our exports for the first nine years of our free trade policy, amounting to 45,666,371 dollars, with the average of the succeeding eight years ending with 1807, (at which time our commerce was interrupted by the embargo) amounting to 84,564,513 dollars, we have an increase, in eight years, of 85 *per cent.*; and during these two periods our population had risen from about four and a half to about six millions.

Now we are ready to confess that this statement presents too favorable a view fairly to represent the ordinary progress of our commercial growth. We admit, that, in addition to the advantages we then enjoyed from a government administered upon those principles of justice and sound policy which have been deserted or violated by succeeding administrations and legislatures, there were other causes in operation, which had a tendency to increase the demand for our productions and enhance their value. We allude particularly to the wars and revolutions in Europe, which, by interrupting the usual course of labor, created a greater dependence upon some of our productions, than can ordinarily exist under a more settled state of affairs.

While we are disposed, however, to make the most liberal allowance for all the commercial benefits we may have derived from the causes referred to, it should be recollected, that the embargoes, restrictions and war at home, as well as the injuries inflicted upon us by all the belligerents, constitute a great abatement from those advantages; so that it is rather questionable, according to our view of the matter, whether the commerce and navigation of this country really gained by the wars in Europe. Still, in discussing this question, we shall, in accordance with the prevailing belief, reason upon the supposition, that our commerce and navigation could not have continued to increase in the ratio they did from 1791 to 1807, even had our commercial policy not been changed from the free trade to the restrictive system.

The position of our opponents is, that our foreign commerce, instead of being lessened by the restrictive system, has in fact been extended by it. This we have indirectly refuted; first, by showing a decline of the tonnage employed in the foreign trade since 1817, from 809,724 to 650,142 tons; and again, by furnishing satisfactory reasons to show that a continuance of the free trade policy would, by this time, have extended that branch of our navigation to 1,100,000 tons.

We have, however, given a more positive and direct refutation of this gross misrepresentation by reference to official documents, showing that our exports have declined since the first protecting act went into operation, from 87,624,385 dollars to 73,104,089 dollars.

The question now is, what would have been the amount of our exports, at this period, had we persevered in the free trade policy? The increase of exportations from 1790 to 1799, as we have shown, was nearly 400 *per cent.* From 1800 to 1807, when our commerce may be considered to have been in its natural state, the increase was 85 *per cent.* in 8 years; namely, from 45,666,371 dollars, the average of 1791 to 1799, to 84,564,513 dollars, the average of the 8 succeeding years, terminating with 1807, and this was the last year in which the nation enjoyed a commerce wholly unobstructed.

With these undeniable facts in view, we appeal to every reflecting and unprejudiced mind, whether it is possible to resist the conviction, that a system, which, in the first 9 years from its origin, nearly quadrupled our exports, and in the subsequent 8 years raised them from 45 to 85 millions, while our population increased from four and a half to six millions, should not, in 25 years, with an increase of population from six to thirteen millions, have augmented our exports at least 50 *per cent.* beyond the average of the 8 years preceding the embargo?

If such is the conclusion to which our facts and reasonings lead, (and we think no intelligent and impartial mind can dissent from it)

then it is certain that our exports, but for the pernicious effects of the "American System," would have increased to 128 millions, instead of having declined to 72,824,288 dollars, being the average amount of exportations for the last three years.

The diminution, then, which the country has sustained in this single branch of industry, by a system which professes to encourage domestic labor, is, at least, 55 millions *per annum*; that sum being the difference between the average of our exports the last three years and what we should have exported, under a continuance of the commercial policy, established by Washington and Hamilton, and persevered in by Jefferson and Gallatin; a policy, not resting for its basis upon artificial, absurd and unjust regulations, which restrain, control and tax* the pursuits of nine-tenths of the nation, for the benefit of the remaining tenth, but a policy relying for its support on the skill, industry, enterprise and intelligence of the whole nation, whose welfare it was designed and was so eminently calculated to promote.

While this country, which possesses beyond all others the greatest advantages for the accumulation of wealth, and which increases in population at least three times as fast as Great Britain, has been declining in commerce and navigation, that nation has been gaining in a greater ratio than she ever had before done, in all branches of her commerce and navigation. From an official statement before us of the exports from Great Britain, commencing with this century, we find that the amount in 1799, was £17,000,000.

From 1800 a 1810, the average value was	-	£26,000,000
1811 a 1820, " "	-	36,000,000
1821 a 1826, " "	-	45,000,000
1827, the amount,	-	51,000,000
1828, " "	-	52,000,000
1829, " "	-	55,000,000

Now if the reader will turn back to the statement of our exports, he will find that the average amount from 1800 to 1807, 8 years, was 84,564,513 dollars, and that they had fallen off, by the average returns for the 3 last years, to 72,824,288 dollars.

Thus, while the export trade of the United States has declined from 84 to 73 millions, with a population which in that interval has doubled, Great Britain, in a shorter period of time and with less than a third of our relative increase of population, has more than doubled her export trade.

* "Commerce, though of the utmost importance to the nation, is not a proper subject for much legislation. It is only to be protected and taxed; it should be left free to find its own channels, and then it will contribute to keep up a salutary circulation of property, and take only those directions in which the people have some real advantages over others in carrying it on, and consequently will be a safe part of the general economy."—*North American Review*.

What, we would again ask, is the reason why a nation, enjoying fewer advantages from soil and geographical position than we do, and burdened with ten times the relative amount of public expenditure, should add 100 *per cent.* to her exports, while the exports of this nation have been constantly decreasing?

To those who have been attentive spectators of passing events, since the adoption of the anti-commercial system, the reasons for the decline in the commerce and navigation of this country, and for an increase in those branches of business in Great Britain during the same period, are sufficiently obvious.

The government of Great Britain, since the restoration of the world to peace enabled her enlightened statesmen to direct their attention to the internal concerns of that empire, has been gradually removing the obstructions and restraints, accumulated by 1000 years of vicious legislation, from her commerce, navigation and all other branches of industry. The result has been, increased production and increased consumption, leading necessarily to an extension of commerce and navigation, the sure indication of increased wealth, always attendant upon a liberal system of commercial regulations, whether under a monarchy or a republic.

Our government, on the other hand, regardless of the natural rights of man, the principles of the Constitution, and the example of their more enlightened predecessors in office, have, during the same period, restricted and taxed most of the great branches of industry for the purpose of encouraging certain occupations, which can benefit only a few thousand wealthy individuals, who have had the art to delude a considerable portion of the people into the support of a system injurious to all interests but their own; for it cannot be denied, that, from the origin of the anti-commercial policy, the action of the government, as regards the important question under discussion, has been too much influenced, if not controlled, by the small but zealous combination of individuals to whom we have referred, whose power to make or unmake an administration, to gratify or disappoint the views of ambitious aspirants to office, has been more feared and more regarded than the great concerns of the nation. The rights and interests of the people, indeed, have been in a great measure deserted, betrayed and sacrificed by those who contrived, and who still manage to sustain, the existing system.* We have

* In support of the views here introduced with regard to the conduct and motives of the party to which we refer the following remarks are extracted from Mr. Niles' Register, written more than a year after the enactment of the Tariff of 1828. "The act of 1828," says this independent and honest journalist, "the act of 1828 was projected, arranged, and passed, on principles disreputable to a Congress of the United States. There is no manner of doubt in our minds, from much personal observation and some private knowledge, that it was the result of a political compromise or bargain."

"Indeed, so strongly are the facts presented and so respectable are the witnesses to the case, that we have seriously thought of directly doing some-

thus proved by facts that will not be denied, and by arguments which cannot be refuted, unless those facts are disproved, that the anti-commercial system now in operation has lessened our exports 55,000,000 dollars below what they would have been but for the establishment of that system.

Now, if it be true that our exports have been diminished, it necessarily follows that there has been a diminished demand for our agricultural productions, constituting, as they do, the principal value of our exports.

Diminished demand leads to diminished prices; and though there have been other causes in operation to lower the value of our agricultural staples, yet one of the most operative has been the existing system of taxation and restriction.

thing, for which, being prosecuted, we might bring proof before a court of justice, as to the thing suggested."

This is a bold denunciation of the majority who made up the Congress of 1828, but we fear there is too much truth in the character which is here given of them—by a man, too, who is probably more in the confidence of the persons who composed that majority and of those who influenced their movements, than any other individual whatever. Instead of meeting together to guard and promote the general welfare, their whole object appeared to be, to see who should show the most zeal and forwardness in burdening the country with monopolies and taxation for the benefit of the wealthy and favoured classes; the surest means, perhaps, of gratifying that thirst for popularity and power, which distinguishes the unprincipled mischievous demagogue from the high-minded patriotic statesman. We believe, however, there were exceptions to the character here given by Mr. Niles of the majority by whose efforts the act of 1828 was passed; but we fear the censure he bestows upon them, is, in many instances, justly merited.

The following are the remarks of Mr. Jefferson in regard to the Congress that enacted the Tariff of 1824, which, in common with the act of 1828, has generally been pronounced by intelligent men (save those who are benefited by its operation), either as exhibiting a gross abuse of power, or a palpable violation of the Constitution. "Under the authority to establish post-roads," says Mr. Jefferson, "they claim that of cutting down mountains for the construction of roads, and, aided by a little sophistry on the words 'general welfare,' a right to do not only the acts to effect that, which are specifically enumerated and permitted, but whatever they shall think or pretend will be for the general welfare: and what is our resource for the preservation of the Constitution? Reason and argument? You might as well reason and argue with the marble columns encircling them!—The representatives chosen by ourselves, they are joined in the combination, some from incorrect views of government, and some from corrupt ones, sufficient, voting together, to outnumber the sound parts, and with majorities of only 1, 2, 3, bold enough to go forward in defiance." Here is the opinion of an impartial and experienced statesman, well acquainted with the corrupting influences which are brought to bear upon legislative bodies, whether in monarchies or republics, as to the motives which must have influenced many, who voted for the act of 1824—an act which was deemed by the author of the declaration of our independence, as not only inexpedient, oppressive, and unjust, but *as unconstitutional*; and in this opinion he is sustained by some of the ablest men who are now on the side of the restrictive system, and who themselves, in 1824, denounced any ratio of taxation on imports, imposed for any other object than revenue, *"as inconsistent with the principles of our Constitution and of sound policy."* If the gentlemen, to whom we refer, have, as is alleged, since that period changed their opinions, *they have not refuted their own arguments*; and till that is done, they may be cited as authorities in support of the doctrines always sustained by Washington, Adams and Jefferson, and once maintained by Madison.

But it is maintained by the restrictionists, that if it be the effect of their exclusive system to lessen and annihilate the foreign demand for our agricultural staples, the farmers and planters find an increased demand in the home market.

That this is true of some few articles, no one can deny. But will the increased domestic demand for the supply of thirteen millions of people with cotton, rice, tobacco, naval stores, lumber, wheat, &c. on which three-fourths of the nation depend for support, be any compensation for the diminished demand of two, three or four hundred millions of people?

"We will give you the *home* market instead of the *distant* and uncertain foreign market," is the cry of the restrictionists. The home market the farmers and planters must have, nearly to the extent they now enjoy, under any system; but if it were otherwise, will it be pretended that the market of one nation is equal to the markets of the whole world? Yet such are the absurd replies* made to the

* The Philadelphia resolutions referred to, maintained that the Southern States are compensated for the taxation imposed on them, and the loss of a foreign demand for their produce, by an increased home demand. "A large and rapidly increasing market for their superabundant cotton cannot injure its produce." The New York Convention also hold the same language. "It has created (the Tariff system) a certain and valuable market for about one-fifth of its crop, and it has encouraged the consumption of large quantities of their staple in fabrics, to which it never would have been applied if the manufacture had not been carried on in our own country." The whole produce of cotton may now be estimated at 1,100,000 bales; the consumption at the utmost 175,000 bales the export 925,000 bales. Of the quantity consumed about 25,000 bales may be considered as dependent on high duties. But if the whole consumption depended on high duties, it would not be diminished by a reduction of them, since we should get our cotton fabrics at a lower rate, and made of the same material. The consumption, therefore, of American raw cotton would be increased rather than diminished.

The greatest hostility has been exhibited against the commerce of Great Britain. The cheap productions of that country interfere with similar protected articles, and consequently the "American System" cannot be completely established till that branch of trade is annihilated. Yet, as we have already shown, we find a greater market in Great Britain and her colonies for our domestic productions than in all other parts of the world. Of Northern productions exported to that country we have already given an estimate. The following statement shows the comparative annual exportations of Southern produce to Great Britain and her colonies and all other parts of the world. We have taken the average of the last 17 years from 1824 to 1830 inclusive.

Annual Exports to Great Britain and her Colonies.		All other Parts of the World.	
Cotton,	\$19,505,038	-	\$7,911,566
Naval Stores,	362,239	-	46,664
Tobacco,	2,295,916	-	3,237,630
Rice,	514,508	-	1,655,699
Snuff and unmanu- }			
factured Tobacco, }	103, 996	-	108,174
	<hr/> \$22,781,697		<hr/> \$12,959,733

These staples are paid for in the productions of Great Britain, which it is the object of the "American System" to exclude. As far as that object can be accom-

complaints of millions of agricultural citizens, who are suffering under this system, by those, who, while they enjoy its benefits, escape its burdens.

plished, just so far will Great Britain be compelled to seek similar productions in those countries where her goods will be received in exchange.

The average amount of our exportation of domestic products to Great Britain and her colonies for the last 7 years, is upwards of 28 millions; and it would have been much greater but for the high duty system. Is it surprising, then, that the agricultural States, which depend so largely upon Great Britain for a market for their staples, should complain of a system, which, when carried fully into operation, will deprive them almost entirely of a sale for their products?

THE EFFECTS OF THE
ANTI-COMMERCIAL SYSTEM
UPON THE PUBLIC REVENUE.

WE have now arrived at the fourth and last proposition of our opponents, which we have undertaken to examine; namely, that the public revenue has been augmented by the protecting system. "It was objected to the American System," says Mr. Clay, in the letter before cited, "that it would dry up the sources of revenue. *The revenue has been increased.*" Again, the Philadelphia Resolutions of September last, to which we have before referred, assert, that "the greatest of all *delusive warnings* against the acts to protect manufactures, was, that they would inevitably reduce the revenue, and lead to direct taxation. *Their effect has been to increase the revenue to a great amount.*"

We here and elsewhere have it affirmed, in the most positive and direct terms, by Mr. Clay, Mr. Everett, the Philadelphia Resolutions and the New York Convention, that the public revenue has been increased since the protecting system commenced; and that the increase has been caused by an abandonment of the free trade policy for what is termed the "American System."

Before we proceed to an examination of this statement, we would repeat the remark before made relative to tonnage and exports; namely, that the revenue of a country must have reference to its population, so that the increase of the former should be somewhat in proportion to the increase of the latter. Suppose, for instance, the population at any given period to be 9,000,000, and that there should be a revenue of 27,000,000, equal to three dollars per head. Then, if it can be shown that an increase at a subsequent period to 12,000,000 had also raised the revenue in the same proportion, viz. to 36,000,000, it might truly be affirmed that the public revenue had not declined. On the other hand, if while population has in-

creased one third, the revenue shall have continued stationary, or at 27,000,000, then it will not be denied that the revenue has declined; or that, from some cause or other, it is less productive than it formerly was, in the ratio of 25 *per cent. per annum*, equal to 75 cents per head. In other words, if with a population of 9,000,000, the public revenue should be 27,000,000, and if it still continues at that sum when the population has increased to 12,000,000, instead of being raised to 36,000,000, as it must have been had the revenue been as productive at the latter period as at the former; then it is clearly proved that there has been a decline in the revenue of 9,000,000 per annum.

The proposition, however, of our opponents, is, that the public revenue has increased since the first protecting tariff of 1816. The object of the restrictive, or anti-commercial system, is to impose duties,—not for the purposes of revenue, but for prohibition, at least of such articles as are produced or manufactured by certain favored classes, for whose benefit the system is maintained. We say classes; yet the number of persons actually benefited by the existing system cannot probably exceed 10,000. But such has been the influence of wealth on all legislative matters, except mere party questions, that this zealous and well-organized coalition of capitalists and politicians has had more influence in Congress, since 1816, than the whole body of planters, farmers, merchants and mechanics in the Union, all of whose interests have been neglected or sacrificed, to avert the enmity, or to gain the favor, of this all-powerful combination.

The belief that extreme duties would produce a proportionate augmentation of revenue has been propagated, with much earnestness, by the partisans of the restrictive system, with the obvious design to reconcile the nation to a burdensome taxation. But it is the necessary effect of high duties to diminish consumption, and consequently, by reducing the amount of commodities imported, to lessen the revenue.

Now, that such must have been the object of the anti-commercial system, will be apparent to every considerate mind; since the only benefit the favored classes could derive from its operation, must arise from its diminishing the amount of those foreign importations, the duties on which constituted the best portion of our revenue.

One would imagine, that the bare statement of this self-evident proposition, viz. that to cut off some of the most fruitful sources of revenue would diminish its amount, must force conviction upon every mind. But so infatuating are the doctrines of the high duty system to most minds, that nothing short of *mathematical demonstration* will convince its deluded supporters of the gross misrepresentations and unsound reasonings continually brought forward in its defence.

Every intelligent and impartial seeker after truth, must we think, be surprised at the withholding of facts, on the part of our opponents, in support of the assertion that the revenue has increased. The returns of the annual revenue from the customs are regularly laid before the nation, and documents could have been referred to, at any time, or any place, that would have substantiated the truth of the declaration in question, had it been true, and thus have furnished the most unanswerable evidence in favor of their own position, and in refutation of that of the advocates of the national interests, who predicted a decline in the public revenue.

This, we repeat, is a mere question of fact, which can best be answered by an official statement of the revenue returns from 1815, the first year after the peace, down to the last published returns for the year 1830. But *facts*, however accessible to the advocates of monopolies and restrictions, are, as we have before shown, most carefully avoided, since their's is a cause which never can be sustained, without either a concealment of facts, or a gross perversion of them.

Let us, then, who advocate a cause which courts a recurrence to *facts*, instead of shunning them, once more bring the assertions of our adversaries, to the test of *facts*; and, for this purpose, we shall present the reader with a statement from the "Banner of the Constitution," with the comments of its editor, Mr. Raguet, to whom the national party are so much indebted for his efficient labors in the cause of free trade, constitutional rights, and constitutional principles. It is the best explanation that can be given of this subject, and will have greater weight than any thing we can say, coming as it does from the pen of one, who, as a theoretical and practical writer, has given more clear and satisfactory expositions in defence of the doctrines of free trade, than any author with whose writings we are acquainted. This independent and able journalist has exposed the misrepresentations of the restrictionists, detected their fallacies, refuted their arguments, and laid open to the comprehension of every mind, the injustice and absurdity of the "American System," in all its bearings; and had the results of his labors been as carefully circulated through the country, as the leading publications on the side of monopoly and restriction, the cause of truth would, before this time, have triumphed over that of ignorance, error and injustice.

"The following table," says the Banner of the Constitution, "exhibits the *net revenue*, derived from commerce in the sixteen years specified, brought down to the latest year of which any report has been published, omitting the fractions of a dollar :—

1815, \$36,306,022	Free trade after the War.
1816, \$27,484,100	Same.
1817, \$17,524,775	Tar.iff of 1816 in operation,

1818,	\$21,828,451	Tariff of 1816 in operation.
1819,	\$17,116,702	Same.
1820,	\$12,449,556	Same—predictions of free trade advocates fully verified.
1821,	\$15,898,434	Country beginning to recover.
1822,	\$20,500,775	Natural causes of prosperity overpowering the retarding operation of the Tariff.
1823,	\$17,008,570	
1824,	\$20,385,430	
1825,	\$24,358,202	
		Tariff of 1824 not yet in full operation.
1826,	\$20,248,054	Tariff of 1824 in operation this year.
1827,	\$22,472,067	Country recovering from the effects of the act of 1824.
1828,	\$24,969,812	Same.
1829,	\$22,192,579	Thrown back again by the operation of the Tariff of 1828.
1830,	\$21,922,391	

“It thus appears, that in every instance, the new Tariff diminished the revenue. But, as the credits given on the duties threw the payments to a later period, and as it took time for the merchants to find out, by dear-bought experience, that the increased duties diminished the consumption of goods, the effects were not visible until a year or two after the respective laws were passed.

“By the different censuses of the United States, it appears that the population stood as follows:—

1810,	-	-	-	-	7,230,903
1820,	-	-	-	-	9,637,999
1830,	-	-	-	-	12,856,165

“Now, if we take the first two years in the above table of revenue, which probably exhibit something near what would have been the revenue of the country, had the restrictive system not been adopted, we shall have an average revenue of 31,895,061 dollars. But we are willing to make a large allowance for the fact, that, after the war, an unusual extent of imports was called for by the wants of the country; and we will therefore be content to fix the amount of revenue at 25,500,000 dollars, which is an abatement of upwards of six millions *per annum*. Estimating, then, the population at 8,500,000, we have a revenue equal to three dollars per head on the whole population. Taking the last two years in the table, and including one during which the fresh restrictions had not yet operated, and calling the population only 12,000,000; we have but \$1,96 as the revenue collected.”

We think this will be considered, by all impartial men, as a moderate and just view of the effects of the non-importation policy upon

th public revenue, which, instead of being maintained, or increased, as is affirmed by the restrictionists, has actually been reduced from three dollars to less than two dollars per head.

Had the duties established in 1816 been upon a revenue scale merely, there can be no question, that the duties on foreign importations would have been more than three dollars per head. For, besides the amount of goods excluded, by which a portion of the revenue was cut off, the government, according to the statement of the manufacturers, to which we have before adverted, has been deprived of an immense amount of revenue by smuggling and by fraudulent entries, at the various custom-houses in the Union. And how can it be otherwise, when such temptations to dishonesty are held out by the government, which, in truth, offers premiums of 50 to 200 *per cent.* for smuggling and fraud, in a country that has 5,000 miles of frontier territory, and to the borders of which, on the northern side, the most highly taxed articles may be transported for 5 *per cent.* on the prime cost?

To know, then, what has been the loss of revenue incident to the tariffs established since 1816, it is only necessary to estimate the free trade revenue at three dollars per head, on our population, from time to time, and the difference between that sum and the amount actually collected, is the diminution of public revenue, consequent upon the establishment of the "American System." For instance, the population of 1820 being 9,637,900, the revenue should have been 29,000,000; whereas it was only 12,500,000. Again, the average population from 1825 to 1829 inclusive, was about 11,500,000, which should have given an average for those five years of about 34,500,000; whereas, by the table, the actual revenue averaged less than 23,000,000.

The revenue in 1831 and 1832 will reach the average of 26,000,000, probably 27,000,000; but it is well known to all who are in the way of such information, that from superabundant harvests, and from the reaction which succeeded the disastrous mercantile years of 1827, 1828 and 1829, the country required an unusual quantity of foreign goods; and the revenue of 1831 and 1832 will therefore be very great compared with the preceding years of 1829 and 1830. Still, however, it cannot be pretended the revenue has not declined, since we have proved, on the most moderate estimate, that the revenue of 1830, 1831 and 1832, estimating our population at upwards of 13,000,000, ought to average for these three years more than 40,000,000.

If, then, we are correct in our data, the loss of revenue, consequent upon the exclusive system, by the operation of the protecting acts from 1817 down to 1832 inclusive, making 16 years, cannot be less than 12,000,000 *per annum*; making the aggregate amount of 192,000,000 of dollars, which is just so much tax upon the nation to

enable a few thousand wealthy men to pursue particular occupations, which they assert will not be sufficiently profitable without the aid of such enormous protection. This is the object of the "American System," and such are its inevitable consequences.

The amount which New York, Pennsylvania and Ohio paid of this heavy tax, if left in the pockets of the people, from whence it was drawn by legislative contrivances—the amount, we say, these States paid of this tax, would be equal to the whole of the expenditure upon their great internal improvements. And yet this is only *one item* of the pecuniary burden imposed on the people, by what is termed, though falsely so termed, the "American System."

THE INEQUALITY OF THE
HIGH DUTY SYSTEM,

AS REGARDS THE DIFFERENT SECTIONS OF THE COUNTRY.

ONE of the most striking and odious features of the existing system of restrictions and taxation, is its sectional inequality. It must be admitted, even by those who really approve of the protecting policy, that the Tariff of 1828 makes a very partial distribution of the evils and the benefits of the system.*

* The following excellent remarks upon the impracticability as well as inexpediency and injustice of the restrictive system, are from a Memorial against the Tariff law of 1828, written by Chief Justice Shaw, of Massachusetts. This gentleman's opinions will, we apprehend, have as much weight, wherever he is known, as those of any individual in the nation.

"But were the justice and policy of the restrictive system less questionable than they are, your memorialists would respectfully inquire, whether in the present condition of the United States such a system can be carried into effect, in such a manner as to attain the object of its advocates. It is quite manifest that any course of policy, or any system of measures, however ingeniously devised and combined, which should place the great branches of the productive industry of a country so extensive, and embracing such a variety of productions, occupations and interests, upon an artificial basis, by the enactment of laws establishing bounties, prohibitions, protecting duties, or other fiscal regulations, must depend for its utility and efficacy upon the permanency and exact execution of those laws. Any legislative measure affording an artificial encouragement to the appropriating of capital and the attainment of skill, in any department of industry, the speedy change of which shall render such capital and skill worthless, or greatly impaired in value, is not only useless but pernicious.

"Such is the vast extent, over which the laws of the United States operate, such the variety of soil, climate and production, such the diversity in the condition of society, and the habits and pursuits of the people, that in general,

The benefits of the "American System" can only arise from the advantages which certain favored States enjoy, of being enabled by acts of Congress, to compel the people of other States to purchase their manufactures and productions at 20, 30 or 50 *per cent.* beyond what articles of similar quality might be had for elsewhere, but for the existence of those acts. Unless this were the operative effect of high duties, they would at once be reduced by the efforts of that party for whose benefit they were established, and by whose influence they are still sustained; because, instead of being beneficial to their interests, they would be injurious to them.

there can be no community of interest, in any one branch of industry, seeking and deriving protection from an artificial system. It may happen that combinations of particular interests may be occasionally formed, sufficient to produce a powerful influence, and perhaps, for a time, engage a majority of the people in their favor. Still in each particular case, except perhaps in the production of a few articles, which, in the event of war, may be necessary to the common defence, that actual community of interest is wanting, which in a free government is absolutely necessary to give permanency and stability to any course of legislative policy. A feeling of adverse interest, if not of violated right, more or less extensive, must create open, strong, and probably concerted opposition to such measures; such opposition will necessarily lead to an anticipation of an early repeal of such laws, more or less strong, according to the hopes or fears of those most interested; and such anticipation, whether well or ill founded, will deter the cautious capitalist from investing property upon the branch of industry dependent upon such law, and therefore its steady and permanent operation cannot be realized. It may not be inappropriate in this connexion to add, that the popular nature and character of our political institutions are such, as not to afford that permanency and stability to any legislative system of protection, which are alike necessary to its efficiency and safety. By the theory of the Constitution, the whole of one, and a large portion of the other house of Congress is changed every two years; and in point of practice, even where elections are not made with a view to any obnoxious existing laws, it is believed that from one third to one half of the members are changed at each returning period of two years.

"These various causes, which may so effectually disturb the operation of any protecting duty, in its effect upon prices, together with the constant hazard of re-action and change, and the disastrous consequences which would result therefrom, seem to lead distinctly to the conclusion, that the protecting system is more injurious than beneficial, even to those branches of industry, which it was intended to encourage. And your memorialists would farther state their belief, that many of the best informed and most intelligent manufacturers are now of opinion, that a relinquishment of the protecting policy, and a return to moderate duties, is best calculated to promote the steady growth and the safe and permanent establishment of American manufactures.

"The unequal action of any protecting duties, upon different sections of the Union, its consequent tendency to create disaffection, to promote and embitter local jealousies, and to interrupt that harmony throughout the Union, which is so desirable and beneficial to all its parts, are consequences too obvious and too much to be lamented, to require more than a passing notice.

"Another most injurious consequence of the protecting and restrictive policy, proceeds from its tendency to engage the nation in controversies with other commercial powers, to invite and encourage retaliatory restrictions and counter-vailing exactions injurious to our own commerce, and most of all, to check and retard that more liberal commercial intercourse among nations which seemed to be rapidly extending throughout the commercial world, and which it seems so peculiarly the interest of the United States, as an extensively navigating power, to encourage and reciprocate."

That the Tariff question is sectional* in its operations, is evident from the support given to it in some entire sections, and the opposition which is made to it in others; and still more from the fact, that all

* The pecuniary evils growing out of the existing system of monopolies, restrictions and taxation, great as they have been shown to be, are of minor importance, compared with the moral evils arising from laws, which, it is admitted by the most intelligent of their supporters, are founded on unjust principles, and considered by a still larger number of persons as unconstitutional. The following extract from an article in the *Christian Examiner*, exhibits the views and feelings of one of the most enlightened men in the nation upon this important and dangerous question. We mean Dr. Channing. The opinions of such a man, who, having no pecuniary, political or party views to sway his judgment, looks at the subject with the eye of a philosopher and moralist, are deserving of serious consideration, and will no doubt have great weight with all candid and impartial men.

"A restrictive Tariff is necessarily a source of discord. To some portions of the country it must be an evil, nor will they suffer patiently. Disadvantages imposed by nature, communities will bear; but not those which are brought on them by legislation. We have, indeed, various objections to the whole system of protection. We believe it to be deceptive throughout. We also oppose it, on the ground that our country, in adopting it, abandons its true and honorable position. To this country, above all others, belongs, as its primary duty and interest, the support of liberal principles. It has nothing in its institutions congenial with the maxims of barbarous ages, with the narrow, monopolizing, restrictive legislation of antiquated despotisms. Freedom, in all its forms, is our life, strength and prosperity; and every system at war with it, however speciously maintained, is a contradiction to our characters, and, wanting harmony with our spirit, must take something, however silently, from the energy of the institutions which hold us together. As citizens of the world, we grieve that this country should help to prolong prejudices, which even monarchy is outgrowing; should, in imitation of meddling despotisms, undertake to direct the industry and capital of the citizen, and especially should lose sight of that sublime object of philanthropy, the promotion of free, unrestricted commerce through the world. As patriots, we grieve that a precedent has been afforded for a kind of legislation, which, if persisted in, will almost certainly loosen, and may rupture the Union. The principal excellence of the late Tariff, (1828) is, that it is so constructed as to please no one, that even its friends pronounce it an abomination; for, by offending and injuring all, it excites less animosity in its principal sufferers. Tariffs never will be impartial. They will always, in a greater or less degree, be the results of selfish combinations of private and public men, through which a majority will be secured to particular interests; and such is the blindness of avarice, that to grasp a short-lived partial good, the infinite blessings of union will be hazarded, and may be thrown away."

The sentiments and opinions of Dr. Channing upon this great question, are those which are maintained by every intelligent man who has duly reflected upon the subject. The following extract from the works of Dugald Stewart, shows the opinions of that enlightened philosopher.

"If we examine the leading principles which run through Mr. Smith's inquiry into the nature and causes of the wealth of nations, we shall find that all of them are general facts, or general results, analogous to that which has been just mentioned. Of this kind, for instance, are the following propositions, from which a very large proportion of his characteristic doctrines follow, as necessary and almost manifest corollaries. That what we call the political order, is much less the effect of contrivance than is commonly imagined:—That every man is a better judge of his own interest than any legislator can be for him; and that his regard to private interest (or, in other words, this desire of bettering our condition) may be safely trusted to as a principle of action universal among men in its operation; a principle stronger, indeed, in some than in others, but constant in its habitual influence upon all:—That, where the rights of indi-

the benefits which the system proposes to confer, fall to particular States, which supply the taxed articles, while there are other States, which, having no such articles to sell, enjoy none of the bounties the system is intended to confer; but, on the other hand, are burdened with a heavy taxation in the increased prices of many articles of consumption, and in diminished prices for their principal articles of production, by being restrained from going into the markets of the world, to the extent they otherwise would do, to barter the products of their labor, where they may get in exchange their highest value. Without this privilege, those who depend on the foreign

viduals are completely protected by the magistrate, there is a strong tendency in human affairs, arising from what we are apt to consider as the selfish passions of our nature, to a progressive and rapid improvement in the state of society:—That this tendency to improvement in human affairs is often so very powerful, as to correct the inconveniences threatened by the errors of statesmen;—and that, therefore, the reasonable presumption is in favor of every measure which is calculated to afford to its further developement, a scope still freer than what it at present enjoys; or, which amounts very nearly to the same thing, in favor of as great a liberty in the employment of industry, of capital, and of talents, as is consistent with the security of property and of the other rights of our fellow-citizens. The premises, it is perfectly obvious, from which these conclusions are deduced, are neither hypothetical assumptions nor metaphysical abstractions. *They are practical maxims of good sense, approved by the experience of men in all ages of the world;* and of which, if we wish for any additional confirmations, we have only to retire within our own bosoms, or to open our eyes on what is passing around us."

The following extract from Mr. Webster's speech in 1824, shows a coincidence in opinion with Dr. Channing and Mr. Stewart, and all other enlightened men, who are not participators in the profits of monopolies, or under some other bias, calculated to mislead and pervert the judgment.

"We have heard much of the policy of England, and her example has been repeatedly urged upon us, as proving not only the expediency of encouragement and protection, but of exclusive and direct prohibition also. I took occasion the other day to remark, that more liberal notions were growing prevalent on this subject; that the policy of restraints and prohibitions was getting out of repute, as the true nature of commerce became better understood; and that among public men, those most distinguished were most decided in their reprobation of the broad principle of exclusion and prohibition. Upon the truth of this representation, as matter of fact, I supposed there could not be two opinions among those who had observed the progress of political sentiment in other countries, and were acquainted with its present state. In this respect, however, it would seem that I was greatly mistaken. We have heard it again and again declared, that the English government still adheres, with immoveable firmness, to its old doctrines of prohibitions; that although journalists, theorists, and scientific writers advance the doctrines, yet the practical men, the legislators, the government of the country, are too wise to follow them. It has even been most sagaciously hinted, that the promulgation of liberal opinions on these subjects is intended only for a delusion upon the nations to cajole them into the folly of liberal ideas, while England retains to herself all the benefits of the admirable old system of prohibition. We have heard from the Speaker (Mr. Clay) a warm commendation of the complex mechanism of this system. The British empire, it is said, is in the first place to be protected against the rest of the world; then the British isles against the colonies; next, the isles respectively against each other; England herself, as the heart of the empire, being protected most of all and against all. Truly, sir, it appears to me, that Mr. Speaker's imagination has seen system, order and beauty in that, which is much more justly considered as the result of ignorance, partiality or violence."

markets chiefly for the sale of their staples, cannot obtain their *natural value*, "since," as Mr. Justice Story says in his memorial against any augmentation to the duties of 1816, "since we cannot suppose, that foreign nations will receive our raw materials, if we are unwilling to receive foreign manufactures; we may force other nations to seek an inferior market for their productions, but we cannot force them to become buyers when they are not sellers, OR TO CONSUME OUR COTTONS WHEN THEY CANNOT PAY THE PRICE IN THEIR OWN FABRICS."

This is a correct, practical view of the operation of the prohibitory system upon the welfare of the agricultural exporting States. It not only compels their producers to pay an increased price for what they consume, but also to accept a lower price for all they sell, *by lessening, immensely lessening* the foreign demand for their staples. This we have *proved* by showing a diminution in our exports, since the protecting system commenced, of 55,000,000 dollars below what we should have exported, had the "*protecting*" system, as it is most fraudulently termed, never been established. Now, can any one doubt, with this fact in view, that such a diminution of demand for our staples must have lowered their value, and that this part of the injurious consequences of the prohibitory system must have fallen with the greatest weight upon the Southern and South-western States?

The restrictionists, in defending the system of monopolies and the vested interests connected with them, assume that nearly the whole nation are dependent upon, and benefited by the high duties. "A system of laws," says the New York Convention Address, "imposing duties for the encouragement and protection of domestic industry, upon the faith of which *a large portion of the people of this country have invested their property* and given a new direction to their labor, and with a continuance of which are completely identified all their hopes of maintenance for themselves and their families, has been recently denounced as distinguished by every characteristic which may define a tyranny the most odious."

Mr. Secretary McLean, in that part of his Report in which he advocates a continuance of the duties on most of the articles taxed from 50 to 200 *per cent.*, while he admits there is no necessity for this taxation, except for the benefit of the vested interests,—falls into the same erroneous view of the effects of the existing system that is maintained in the Address. "The vast amount of property employed in the Northern, Western, and Middle portions of the Union," says the Report, "upon the faith of our own system of laws, and *in which the interests of every branch of our industry are involved*, could not be immediately abandoned * without the most ruinous consequences."

* The Secretary of the Treasury, as is frequently done by the advocates of high duties, argues the question of reducing the duties, as if an entire repeal of

We could adduce many passages from the most popular and approved publications in favor of the existing system of taxation and monopolies, giving countenance to the same extravagant representation made in the Address and by Mr. Secretary M'Lean; but we think a reference to such respectable authorities as the Convention, and Mr. Secretary M'Lean, who has been a distinguished and ardent supporter of extreme duties (as evinced by his vote in favor of the act of 1828), will be sufficient for our purpose, which is, to make our selection of statements and reasonings in support of what is termed the "American System" from those individuals, and from those sources whence it derives its strongest support. We do this in deference to the feelings of our opponents, the mass of whom, whatever may be the selfishness or insincerity of many of the political leaders of their party, are doubtless, honest in their opinions upon this question, and would change them if they were shown that the existing system rests chiefly for its defence on the most erroneous representations, made and repeated by men who feel no other interest in the welfare of the manufacturers, or any other members of the community, than as they may contribute to gratify their thirst for wealth, and thirst for power,—their avarice or their ambition.

But what evidence has ever been adduced by an advocate of monopolies and restrictions, to prove that the great branches of industry, the commerce, navigation, agriculture, the mechanic arts, or even the arts of manufacturing, are, as is asserted, *mainly* dependent on the existing system? *

them had been called for by the National Party. Nothing, however, can be more disingenuous than such an assumption, since no proposition of that nature has ever been submitted to Congress. All that has been asked for is a reduction in the extreme rates of duty imposed on many of the necessities of life, and which are admitted by many of the manufacturers themselves to be unnecessary in some instances, and injurious in others. The Secretary, however, while he admits the necessity of concession and conciliation, among the various members of the confederacy, for the sake of compromising this dangerous question,—urges a retention of the most oppressive, and obnoxious features of the act of 1828;—an act which has been denounced even by its contrivers and supporters, as forced upon the nation by a "political bargain or compromise," by corruption and intrigue. This declaration comes from Mr. Niles, a gentleman high in the confidence of the restrictionists, and, we doubt not, an honest and sincere believer in the efficacy of their schemes for promoting the national welfare. And although we have no means of verifying the truth of his assertions as to the manner of obtaining that act, and the motives which led to its adoption, we apprehend the most intelligent and disinterested portion of the nation unite with Mr. Niles in the belief, that the act of 1828 was, as he affirms, "*projected, arranged, and passed on principles disreputable to a Congress of the United States*, the result of a political compromise, or a bargain, a *quid pro quo* affair, adjusted out of doors, a *this for that* not to be mistaken." This is a lamentable picture of the character of our National Congress of 1828; and we are glad, for the honor of the succeeding ones, that this same independent and faithful historian has not also affirmed that the "act of 1828 has been sustained by the same means and influences which procured its enactment, and that it is to be maintained, if maintained at all, by similar contrivances."

* The following remarks from Mr. Webster's speech of 1824, are much to the purpose, in refutation of this unfounded pretension on the part of the restric-

We utterly deny the truth of this representation, not only as regards the industry of the country generally, but as regards the business of manufacturing, which, we have already *proved*, in the first three numbers of this Exposition, flourished in all its branches, to nearly the same extent it now does, under an average of one fifth the ratio of duties imposed by the act of 1828 for its protection.

Still, it is maintained by men who affect to be acquainted with the subject, that nearly the whole capital and labor of the country is benefited by, and dependent upon high or prohibitory duties. But how do they make out their case? Fortunately, we have in this instance a fact, stated in the Address, which is decisive upon this question; namely, as regards the comparative amount of capital dependent on the existing system of monopolies and restrictions. These statements from the Address, and from Mr. Secretary M'Lean's Report, together with still more exaggerated ones,* which we have already adduced in some former parts of this Exposition, are certainly calculated to give an impression that one fourth, one third, or one half, or at any rate some considerable proportion of the whole capital of the nation is comprised in what are termed the vested interests; which have grown up under the high duty system, and which cannot be sustained without taxing the nation heavily their support, nor modified without endangering the fortunes and political prospects of the two great parties who look to those powerful interests for support in the approaching contest for the government of this injured and divided nation.

That nearly the whole manufacturing interests of the country flourished under duties of 5 to 10 and 15 *per cent.*, we have already

tionists as to the comparative amount of capital and labor employed by them. It was in reply to Mr. Speaker Clay's defence of the "American System," as it is termed by the iron masters, sugar planters, woollen manufacturers, and others enjoying its benefits. "He (Mr. Clay) seems to me to argue the question, as if all domestic industry were confined to the production of manufactured articles; as if the employment of our own capital, and our own labor in the occupations of commerce and navigation were *not as emphatically domestic industry*, as any other occupation. Some other gentlemen, in the course of the debate, have spoken of the price paid for every foreign manufactured article, as so much given for the encouragement of foreign labor to the prejudice of our own. *But is not every such article the product of our own labor as truly as if we had manufactured it ourselves?* Our labor has earned it, and paid the price for it. It is so much added to the stock of national wealth. If the commodity were dollars, nobody would doubt the truth of this remark; and it is precisely as correct in its application to any other commodity, as to silver." Again—upon that extraordinary and unwarrantable imposition practised upon the credulity of the country, in terming the system of restrictions and monopolies the "*American System*," Mr. Webster makes the following remarks:—"There is no foundation for the distinction which attributes to certain employments the *peculiar appellation of American Industry*, and it is, in my judgment, extremely unwise to attempt such discriminations."

* The Boston Tariff Resolutions at a meeting for the choice of delegates to the New-York Convention, assert, that "*a great portion of the middling mechanics and laboring classes have become connected with, and dependent upon the success of these establishments.*"

furnished ample evidence. It has also been shown, on the authority of some of the most intelligent manufacturers, that only a small portion of the protected articles require any thing more to sustain a competition with the foreign than a moderate revenue duty ; and have a perfect conviction, that, were the opinions of this class of men adopted, a scale of duties might be agreed upon that would be satisfactory to all parties. But, unfortunately for them and for the nation, this question cannot be settled without the interference of politicians, too many of whom are wholly regardless of the true interests of manufacturers ; and, instead of dealing with the subject on its own merits, make it a mere party question for the promotion of their own personal and political views.

To return, however, to the subject from which we have digressed ; we will admit the fact brought forward in the Address, in support of the assertion under discussion, as to the amount of capital dependent on high duties, though we have shown how prone our opponents are to exaggeration and misrepresentation.

It is maintained, in page 4 of the Address, that a capital probably amounting to 250,000,000 dollars, is dependent on the high duty system ; and this we are told *is a large portion of the capital of the United States*, and the employment of it, as Mr. M'Lean affirms, involves *every branch of our industry*. The question now is, as to the whole capital of the country ; and as we have no data so satisfactory to our opponents, as the estimates and opinions of some of their most approved writers, we shall refer to them for the establishment of this point.

In the Harrisburg Address, drawn up by Mr. Niles, our productive industry is estimated, in 1828, with a population of about 12,000,000, at 1,066,000,000 dollars ; and if this is correct, it must now have increased beyond that amount. This estimate is somewhat above that of another distinguished advocate of the doctrines of restriction (and of the doctrines of free trade also) ; we mean Mr. E. Everett, who, in his speech of 1830, rates our national income at 1,000,000,000 dollars ; and, as he re-affirms this estimate in his Address to the New York Institute, we presume he is satisfied with its correctness.

An income of 1,000,000,000 dollars would imply a larger capital than we think exists. But, if we take the national income at 700,000,000 or 800,000,000 dollars, it would be within bounds to call our national capital 10,000,000,000 dollars ; * in

* In a pamphlet, entitled "Remarks on the Annual Treasury Report," published in 1828, and written by two practical economists distinguished for their talents and information on subjects connected with this question, our productive industry is estimated at 600,000,000 dollars, and our national capital at 12,000,000,000 dollars.

which case the capital depending on the "American System," would be equal to $2\frac{1}{2}$ *per cent.* of the whole national capital, instead of 25, 33 $\frac{1}{3}$, or 50 *per cent.*, as is implied in the statement under discussion.

Now if the reader will turn back to a former part of the Exposition, he will find that we estimated the whole manufacturing income, depending on high duties, as equal to 3 or 4 *per cent.* on our national income, on the supposition that it amounted to 700,000,000 dollars.

Here, then, is a result founded on the facts, opinions, and assertions of the most learned and ingenious advocates of the cause of restrictions and the vested interests, which furnishes an irrefutable answer to the gross misrepresentations which they themselves have aided in circulating as to the comparative amount of capital depending for employment on the system of bounties and restrictions. The most which can be made of it, according to their own declaration, is, that the capital employed in the vested interests amounts to $2\frac{1}{2}$ *per cent.* of the whole national capital; and even this estimate is probably somewhat exaggerated.

But what if five hundred or five thousand millions were invested in the iron, sugar, cotton, and woollen monopolies? These monopolies ought not to be endured, if founded on the violated rights of the people,* who are taxed on their property, and restricted in their

* We have already presented the reader with the sentiments and opinions of Dr. Channing upon the nature and tendencies of the restrictive system. We again refer to those of another eminent individual, equally distinguished for his talents, his attainments, and his public and private virtues.

"Resolved, That the imposition of high duties upon imported commodities, without regard to revenue, but with a principal view permanently to support any particular manufacture, or other branch of domestic industry, by the exclusion of a rival commodity or great increase of its price, is unjust in principle, erroneous in policy, and calculated to impose a heavy burthen upon the community, without any adequate advantage.

"Resolved, That high duties imposed for the protection of manufactures in their application to interests and circumstances so various as those of the United States, are unequal and oppressive in their operation, and alike inconsistent with the spirit of the Constitution, and subversive of those principles of natural justice and perfect equality in the enjoyment of social rights, which are essential to the existence of free government.

"Resolved, That were the justice and policy of the protecting system less questionable than they are, still, in the actual condition of the United States, such system depending for its existence and effect upon laws establishing bounties, protecting duties, and other fiscal regulations, and upon the perfect execution of these laws, cannot attain that stability and permanency, nor can such laws be carried into execution with the exactness and certainty, which are necessary to the efficacy and safety of such system, and to the attainment of the objects proposed by its establishment.

"Resolved, That laws, imposing duties with a principal design to protect particular branches of industry, though general in terms, do, on account of the great diversity of their interests and pursuits, operate unequally upon different sections of the Union; that such unequal operation has a natural tendency to create disaffection, to excite and embitter local jealousies, and to interrupt that harmony and mutual confidence, throughout the Union, which are so desirable and beneficial to all its parts.

occupations, to gratify the selfishness of a few thousand opulent individuals and their dependants, and a few hundred ambitious politicians; "for why," says Mr. Justice Story, in his excellent *Memori-*

"Resolved, That the permanent adoption of a protecting restrictive policy has a natural and obvious tendency to engage this country in controversies with other powers, to invite retaliatory restrictions and countervailing exactions, injurious to our own commerce, and more especially to check and retard that more liberal and commercial intercourse among nations, which appeared to be rapidly extending throughout the commercial world, and which it seems so peculiarly the interest of the United States, as a navigating power, to encourage and reciprocate.

"Resolved, That we will cheerfully co-operate with other citizens of the Union, who may entertain similar views and opinions, in all suitable and honorable measures, which may be adopted, in reference to the subject of these resolutions."—*Memorial to Congress, against the Tariff Law of 1828, from Citizens of Boston, drawn up by Chief Justice Shaw.*

The following are extracts from a Memorial of the citizens of Salem and vicinity, against any addition to the duties established by the Tariff of 1816. It is signed by a respectable committee, who were friendly to manufactures, but opposed to unjust and unconstitutional expedients for promoting them. It was alleged to have been the production of Mr. Justice Story, of the Supreme Court of the United States, who is known to be friendly to manufactures, but, as it appears by the Memorial, opposed to burdening the nation for their support.

"Nothing can be more obvious," says this just and independent magistrate, "than that many of the manufacturers and their friends are attempting, by fallacious statements, founded on an interested policy and misguided zeal, or very short-sighted views, to uproot some of the fundamental principles of our revenue policy, and to compel our merchants to abandon some of the most lucrative branches of commerce; branches which alone enable us to contend with success against the monopoly and the competition of foreign nations.

"The memorialists most sincerely believe that it is a sound political maxim, that the more free trade is, and the more widely it circulates, the more sure will be its prosperity, and that of the nation; *every restriction which is not indispensable for purposes of revenue*, is a shoal which will impede its progress, and not unfrequently jeopard its security.

"It is not a little remarkable, too, that those attempts to which the memorialists allude, are not only repugnant to those maxims of free trade, which the United States have hitherto so forcibly and perseveringly contended for, as the sure foundation of national prosperity; but they are pressed upon us at a moment, when the statesmen of the old world, in admiration of the success of our policy, are relaxing the rigour of their own systems, and yielding themselves to the rational doctrine, that national wealth is best promoted by a free interchange of commodities, upon the principles of perfect reciprocity."

"The cotton and woollen trade is already loaded with 20 and 25 per cent. duties, and if there be added the freight and charges upon importation, the domestic manufacturers have now an encouragement, or a profit, of 30 to 35 per cent. more than the European manufacturers possess, if the same articles can be manufactured as cheap at home as abroad." "Why should the farmer and the planter, and the merchant, and the laboring classes of the community, be taxed for the necessities of life, a sum equal to more than one quarter part of the whole expenditures on these objects, that the manufacturers may put this sum into their own pockets?"

"Upon the whole, the memorialists would respectfully state their unequivocal opinion, that all the measures to which they have alluded, are calculated to impair our naval strength and glory; to injure our most profitable commerce; to diminish in an alarming degree the public revenue; to promote unjustifiable speculation; to enhance the prices of manufactures; to throw the great business and trade of the nation into the hands of a few capitalists, to the exclusion of the industrious and enterprising of other classes; to introduce general distress among commercial artisans and agriculturists; to aggravate the present

al against any augmentation of the duties established by the Tariff of 1816, " why should the farmer, and the planter, and the merchant, and the laboring classes of the community *be taxed* for the necessities of life, a sum equal to more than one quarter part of the whole expenditures on these objects, *that the manufacturers may put this sum into their own pockets?* "

Having shown, upon the authority of the New York Tariff Convention Address, the utter insignificance of the capital employed by the favored classes in their various monopolies, as compared with the whole capital of the nation, we now proceed to show the want of impartiality, in the distribution among the great sections of the country of the benefits derived by those privileged classes from the existing system of restrictions and taxation.

The sections favorable to the existing policy are the Western States, with the exception of Missouri, together with a portion of Kentucky, where the public sentiment has undergone some change favorable to the cause of free trade. The whole of the Middle States, with the exception of New York, where the free trade doctrines receive a partial support, are under the influence of the Tariff party. Of the Eastern section, Massachusetts, Connecticut, Rhode Island and Vermont, are strenuous supporters of the " American System ; " and such is the strength of the vested interests in those States, that the whole political and moral power, which they exercise over the National Legislation upon this question, is almost entirely in the hands of a few thousand corporators, and their numerous friends and dependants. New Hampshire gave a majority of her votes for the act of 1828 ; and though her population generally have no great interest in the question, she may perhaps be reckoned in a considerable degree as under the influence of the neighboring States upon this question. Maine is strongly opposed to the system, though her senators are among its zealous supporters. The interests, however, of this great and rising member of the confederacy, the third in commercial importance in the Union, are so identified with a system of untaxed navigation and free trade, that she may be counted upon as a powerful and persevering opponent of the existing policy.

The two other great divisions of the country, the Southern, and South-western States, are, with the exception of Louisiana, almost unanimously opposed to the existing system, as burthening them

distress of the other classes of the community ; to provoke and extend an undue appetite for fraud and smuggling ; and in fine, *to destroy many of the great objects for which the Constitution of the United States was originally formed and adopted.* "

JOSEPH PEABODY,	} Committee.
JOSEPH WHITE,	
B. W. CROWNINSHIELD,	
PICKERING DODGE,	
WILLARD PEELE,	
D. L. PICKMAN,	

with taxation, and at the same time diminishing the foreign demand for their staples, on which they almost wholly depend for their prosperity and support. By a statement before us of the votes for the act of 1828, it appears that the Southern division, comprising Maryland, Virginia, North and South Carolina and Georgia, gave all their votes but three, in both branches, against it. The South-western division, comprising Tennessee, Louisiana, Alabama and Mississippi, gave two senatorial votes in favor of the act of 1828, and all the others against it. Since that period, however, the State of Louisiana has been seduced into a support of the system, to preserve the sugar monopoly, which imposes a tax of four millions a year, for the benefit of at most 700 planters. Here is an instance of the influence and power of the vested interests, which cannot fail to strike every one. Louisiana contains 48,220 square miles, and a population of 215,275. She was a free trade State, and it is the interest of nine-tenths of her population that the free trade system should prevail. Yet such is the power of a zealous and active combination of wealthy men, sustained by individuals who are acting under the same stimulus in other States, that the whole political force of this respectable State is now wielded by 700 sugar planters, who, according to their own statement, employ less than 19,000 effective slaves. So it is in those States where the tariff policy is supported; for instance, in Pennsylvania, and some portions of the neighboring States, where iron is produced, a few hundred wealthy capitalists, aided by the politicians who lean on them for patronage or support, have, to all appearance, more power over their own legislation, and that of the nation, than all the farmers, merchants, mechanics, and manufacturers who inhabit those States.

We have referred to the votes on the passage of the Tariff law of 1828, as a test of the sectional support given to that act. But this statement requires qualification in regard to the New England delegation, some of whom voted against it, although known to be among the most zealous partisans of the "American System;" for instance, all the members of both branches of the Massachusetts and Rhode Island delegation, except five, voted against the Tariff of 1828: but it is well known that they did so because the details of the act did not conform sufficiently to their personal and sectional views; most of them being themselves manufacturers, or in some degree dependent for pecuniary or political support upon that wealthy and influential order of men. This delegation were not the representatives of what is called the protected interests generally. Their efforts were mainly bent upon obtaining an increase of duties upon cottons and woollens. They were advocates of restriction; but, in applying the principle, their object was to confine it chiefly to those particular branches, in which they themselves and their constituents, the cotton and woollen manufacturers, were engaged. It was upon

this principle that all those delegates, before whom Mr. Mallary's amendment came, voted for it; thus aggravating the worst feature in the bill, as the object of that amendment was, considerably to augment the present duties on woollens which now range from 45 to 200 *per cent*. At this very moment, however, that they were showing their dissatisfaction with the duties on woollens, which are in truth prohibitory on a majority of the articles of that manufacture, they resisted a duty on hemp, at not one third part of the average rate imposed on woollens, on molasses and wool, because the vested interests of New England would be injured by those protecting duties. We advert to these facts to show upon what selfish and sectional principles the great divisions of the tariff party have acted, not only towards the nation, but each other.

The woollen manufacturers, who lay it down as a maxim, that *high duties make goods come cheaper to the consumers*, made a most strenuous opposition to the increased duty on wool;* though, were

* To show the opinions entertained by the wool-growers, of the want of fairness in the manufacturers in attempting to deprive them of an equal share of the taxes levied on the nation, we give the following extract from a speech of Mr. Buchanan, of Pennsylvania, member of that Congress which enacted the law of 1828. Mr. Buchanan is speaking in reference to a bill before Congress in 1827, which did not pass into a law.

"Did the woollens bill sufficiently protect the growers of wool? I answer, confidently, that it did not. In regard to them *it was a mere delusion*. Indeed, the manufacturers at first *did not intend that any additional duty should be imposed on the importation of wool*. To the ability of a representative of this State we are indebted that any provision was made in the bill in favor of the growers of wool." From a speech of Mr. Van Buren in reference to the same measure, we extract the following passage;—"The bill of the last session is called the '*Speculators' bill*,' and they undertake to show that the object of the bill was to pamper the already overgrown wealth of Eastern manufacturers, by heaping taxes chiefly upon the poorer classes who wear the coarser woollens. Although *they all agree as to the principle*, they differ as to the best means of supporting it, and these differences, being embittered by personal and political contentions, are becoming every day more inveterate." These are the opinions of two zealous partisans of the "vested interests," who were complaining of the want of generosity in the Eastern manufacturers in not allowing the Middle States' wool-growers, on whom they depended for political support, their share of the taxes levied on the nation in virtue of the "American System." The principle, say they, that is, the system of taxing one section for the benefit of another, we are well agreed upon; but we differ about the division of the bounties extorted from the consumers. The truth is, neither Mr. Buchanan, nor Mr. Van Buren, was the representative of the nation, but of a party; and both seemed to lose sight of the impartial consideration due to *all* the great interests of the country, in their devotion to a single branch. They complained of the grasping disposition of the woollen manufacturers, who, as Mr. Van Buren alleges, would "heap taxes on coarse woollens worn by the poor;" yet, at the ensuing session of Congress, both those gentlemen gave a cordial support to an act which imposed doubly as high a tax on coarse woollens, as the manufacturers asked for, in the bill which Mr. Buchanan and Mr. Van Buren denounced in terms of such severity;—thus evincing by their acts, the utter insincerity of their professions of regard for the poor, whose feelings or whose interests, as well as those of the nation at large, the contrivers of the Tariff of 1828 were ever ready to sacrifice to their own personal and political views, which could alone have influenced them to vote for an act that was deprecated on all sides as injurious to the very objects it was intended to promote.

they believers in their own doctrine, it must have been advantageous to them, upon the well known principle of the "American System," *that the more a thing costs—the cheaper it is to the consumer.* But

Again; the leading members of the Massachusetts delegation, who were themselves manufacturers, and, as such, enjoying protecting duties of 25 to 100 *per cent.*, declaimed vehemently against the injustice of taxing hemp 40 to 50 *per cent.* while they rejected the bill for increasing the duty on woollens, because the rates were only 45 to 200 *per cent.*, and because the wool-grower was admitted to a share of the protecting duty.

They resisted, too, with equal energy, the duty on molasses, denouncing that part of the bill as an abominable act of injustice towards the consumers, distillers and merchants of New England,—wholly regardless of their maxims, that "taxation *reduces* the prices of goods to the consumers;" that destroying trade is regulating or promoting it—that in order to make commerce prosperous, it should be "protected."

The most striking evidence, however, of want of consistency and of impartiality on the part of the advocates of high duties, was exhibited in the contest about the duty on molasses. It was denounced by the members representing the cotton and woollen interests of New England (who affirmed that it was patriotic to compel the nation to pay double prices for the woollens we consume), as the result of a wicked combination to injure New England. "This tax," said Mr. Webster, "is to be kept in the bill, that New England may be made to *feel*." Yet this tax was first brought forward in 1820, and again in 1824, by Mr. Clay, as was alleged in its defence by Mr. James Stevenson, of Pennsylvania, one of the committee who reported the act of 1828, and who made a most elaborate speech in its favor.

It was under the influence of this recommendation, and of the arguments adduced by Mr. Clay in its defence, and reiterated by the Western delegates in 1828, that the molasses duty was increased. Mr. Clay, on the duty being reduced in 1830, complained of that measure as an infraction upon the great "American System," and depriving the Western distillers and grain growers, for whose benefit the duty had been increased, of their share of the taxes levied by the protecting system on molasses.

In defending the continuance of the molasses duty, Mr. Clay was consistent; since it cannot be denied that the grain growers and distillers of the Western and Middle States, have the same right to a duty of 50 *per cent.* on molasses, in order to increase the value and demand for their grain and spirits, that the wealthy manufacturers of the Northern States have to duties of 45 to 200 *per cent.* upon foreign woollens, for the purpose of compelling the farmers in the Western and Middle States to consume their fabrics in preference to the cheaper foreign ones. If the system of taxing iron, salt, sugar, wool and woollens, cottons, lead, &c. 50 to 200 *per cent.*, for the purpose of keeping down foreign competition, be a wise and just system, then it is equally wise and just to extend it to *all articles*. Nor can Congress, without the most glaring inconsistency and injustice, withhold protection from those who may hereafter demand it—certainly to the same extent, as is now afforded by the protecting rates upon iron, sugar, woollens, &c., which now range from 45 to 200 *per cent.*, and in some instances to 250 *per cent.* Nor would Congress have withdrawn, in 1830, the protection granted to the grain-growers of the Western and Middle States, had that respectable class of men, comprising millions of our most valuable population, possessed the same influence in that assembly which a few hundred iron masters of Pennsylvania, and a few thousand cotton and woollen manufacturers of the Northern States have for some years enjoyed.

In reply to the imputations thrown upon the tariff party of the Middle and Eastern States by the representatives of the Eastern incorporations, it was, by Mr. Ingham and others, alleged against the latter, that they were legislating for a few speculating capitalists, thereby to raise the prices of their stocks, and enable them to sell out to advantage.

These are serious charges made by the two great tariff parties against each other; but, coming from such respectable sources, there is too much reason to

this is perhaps one of those *correct theories*, which, we are told by the teachers of the new school of political economy, does not always lead to *correct practical results*. When a duty is required on a foreign article for the purpose of raising the price of a similar article made at home by certain favored classes, why then the theory that *taxation lowers the price of the article on which it falls*, is a *correct theory*; or, at any rate, it leads to a correct practical result; namely, that of transferring, by an easy and *constitutional process* of legislation, the property of the credulous consumers to the cunning capitalists, the class principally engaged in the favored branches of industry.

When, however, a duty is imposed on a foreign article, which the favored classes can get cheaper abroad, and the importation of which does not interfere with their monopolies, the theory that the *more a*

believe them well founded, and especially supported as they are by the declarations of Mr. Niles, which we have in several instances cited, and to which we now add the following remarks, taken from one of his journals in 1829. "On the 19th of January, 1828, having visited Washington, we said, 'It is to us manifest as that the sun shines at noon-day, that any proposed alterations of the tariff with a view to the protection of the agriculturalists and manufacturers of our country, is to be defeated, without reference to the merits of the question at issue, and by the default of individuals, hitherto counted upon as the fast friends of the system.'" Nothing, we apprehend, can be more true than *this charge* against the pretended friends of farmers and manufacturers, who, while affecting to promote the interests of the latter class, were utterly regardless of all interests and all rights but their own.

Mr. Niles, in another passage of his Register, denounces the supporters of the act of 1828 in the following terms;—"The history of the passage of the bill through the *Senate*, also presents some peculiar features; but enough has been said to show, that political as well as sectional feelings had much to do in its enactment."—Again; says Mr. Niles, "Mr. Randolph, in his peculiar way, said, that the bill had no reference to manufactures whatever, but to the *manufacture of a President of the United States*. We thought his opinion nearly right then, and think so still."

Mr. Niles, as is obvious from the general tenor of his remarks, meant to exempt some portion of the Tariff party from this censure. Indeed it is to be hoped that many of them acted rather in ignorance, than from that selfishness and political corruption which is imputed to them. Still, with the most candid and impartial view of the conduct of the two great divisions of the Tariff party, who originated and matured the act of 1823, facts and appearances both warrant the belief, that a considerable number of the advocates of the "American System" were influenced by political or selfish views, rather than by what was required for the public good.

The object in this part of our labors, is, to exhibit in its true colors, the sectional character of the existing system; and, to illustrate the truth of this position, we have given the historical details of the manner in which the Tariff of 1823 was fastened upon the nation.

It appears, then, by the declaration of respectable leaders of the Tariff party, that the act of 1823, which, for its absurdity and injustice, would not have been adopted at this era of the world by even the most ignorant and uncivilized nation, has become a part of the legislation of our country, in this enlightened period, and in an age of liberal ideas, not, as we believe, with any regard to the interests of the nation (for it stands condemned even by its own advocates, as "founded on principles disreputable to a Congress of the United States, the result of a corrupt bargain and political compromise"); and must be considered by all intelligent and impartial men as equally impolitic and unjust,—as inconsistent with the letter and spirit of our Constitution, according to the most approved expositions of that instrument by its virtuous and enlightened founders.

thing costs the cheaper it is, is abandoned, not as an unsound theory, but as leading in that particular instance to an *erroneous*, that is to say, *to an unprofitable result*.

Such are the paradoxical absurdities of the "American System," when traced to their practical consequences, that it is difficult to discuss them in all their bearings without an appearance of levity, unbecoming so momentous a question, involving, as it does in its final adjustment, the peace, welfare and integrity of the Union.

Let us now proceed with our investigation into the supposed advantageous effects of the high duty system to those parts of the country, to which the people have been led to believe that that system was more especially beneficial.

The act of 1828, it will be recollected, was sustained by the delegates in Congress from the Western and Middle States, under an impression that the agricultural interests in those sections of the Union, would share its advantages in common with the iron masters of Pennsylvania, the sugar planters of Louisiana, and the cotton and woollen manufacturers of the Northern States. This, at any rate, was the understanding of their constituents, who sent them to Congress with such an expectation, and who would not have sanctioned the proceedings of their delegates, had they not supposed that the results of the act of 1828 would prove beneficial to them.

In estimating the comparative advantages of the existing system to the several sections which have united in its support, we will commence with the Western States. This division of the confederacy comprises the following States;—Ohio, Kentucky, Indiana, Missouri, Illinois, and the Territory of Michigan, which, in the course of two or three years, will have acquired a sufficient population to entitle her to an admission into the confederacy as a State.

This fertile and thriving portion of the Union has a surface of territory of 287,550 square miles, and by the census of 1830, a population of 2,294,843, having increased in ten years 60 *per cent*. The population by this statement, which is derived from the most authentic sources, averages eight persons to the square mile, thus indicating that agriculture must be the staple employment of the people of this district of country, for at least fifty or an hundred years to come,—not because the inhabitants are less skilful or intelligent than those of the manufacturing States, but because, from the cheapness of the land, combined with its great natural fertility and the consequent dearness of labor and high rate of interest, agriculture must be more profitable than manufacturing, till this section shall have acquired a density of population and an accumulation of capital, somewhat in proportion to the manufacturing States, which contain perhaps sixty persons to a square mile and ten times the amount of circulating capital, in pro-

portion to the Western States. All that is required for the continued prosperity of this part of the Union, is an active and increasing demand for its productions, which, however, cannot exist under a perseverance in the existing system, since, as we have already demonstrated, its effect has been to lessen the demand for agricultural productions, by depriving foreign nations of the means of paying for them by an exchange of commodities.

The statements which we have exhibited, show, that the annual amount of our exports of domestic productions may be fairly estimated at 55,000,000 dollars less than they would have been had the commerce of the country been unobstructed by restrictions and prohibitory duties, which, while they enhance the cost of such commodities as the farmers find it necessary to buy, reduce the price of the productions which they have for sale.

It is true that an expectation of increased prices for the agricultural productions of the Western States, was held out as a lure to the people of that section of the country, to induce them to give their support to the taxes on woollens, cottons, salt, sugar, glass, lead, &c. But it is equally true, that such expectations have not been, and *will not be*, realized. On the other hand, as we shall hereafter show, all, or nearly all, the agricultural productions of the Western and Middle, as well as of the Southern States, have greatly declined in price, since the establishment of what is called the protecting system;—a system which operates to benefit the few at the expense of the many, which takes largely from the scanty earnings of the poor and industrious classes, to augment the wealth of the capitalists.

The articles produced in the Western States, on which the system of excessive and prohibitory duties can operate advantageously, even if carried to the extreme which have been often proposed by its leading supporters, viz. that of prohibiting the citizens of this free country from exchanging the products of their labor in places where they would command the highest prices,—we say, the only Western agricultural productions on which it can have a favorable bearing, are saltpetre, whiskey, cotton bagging, hemp, wool, iron and lead.

On saltpetre, the duty is but 15 *per cent.* on the cost; but, with a protection similar to what is granted on sugar, iron and woollens, ranging from 40 to 200 *per cent.*, a sufficient quantity might be collected from the caves in the Western States, to supply the whole nation. This, too, is a munition of war, which is almost wholly in the hands of the only nation who can contend against us with any effect, and who, on the mere expectation of a war with us, or any other power, would immediately prohibit its exportation from Great Britain, as well as from her East Indian possessions, from whence our present supplies are altogether derived. And here

we may remark, that these supplies are frequently paid for in the *precious metals*, the exportation of which, according to Mr. Clay and other eminent advocates and expounders of the "American System," *is so ruinous to the country.*

This is certainly one of the few articles of which it might be expedient to encourage a supply from our own resources, if it be expedient in any case; because it is really important, in the view which has been taken of this subject, that we should be independent on foreign supply, when it can only be obtained from that nation which could most effectually, in case of war, prevent its introduction into this country. Besides, any addition to the price of saltpetre would hardly be felt by the poor and industrious classes. It ought, therefore, upon the principles advocated by the tariff party, to have its full share of protection; certainly protection to as great an extent as other articles of necessity, which, in the event of a war with foreign nations, we could produce or manufacture at home. National independence has been the most popular ground of defence of the "American System." Mr. Clay, in urging this topic, says,—"The independence of my country on all foreign states, as respects a supply of all foreign wants, has been with me a favorite object." The New York Tariff Convention holds the same language, in reference to the destitution, in our armies, of the means for defending the country during the late war. "Our munitions of war," says the Address, "were gathered as chance supplied them, from the four quarters of the earth, and our armies were taken unawares, and challenged to a contest without the necessary armor of a combatant."

It must be within the recollection of all who are familiar with the discussions upon the subject now under consideration, how much stress has been laid upon the want of 6000 dollars' worth of blankets for the supply of our army, during the late war with Great Britain. How many *powerful* arguments and *affecting* orations, have been called forth by this incident, to convince the country that 10,000,000 of people were near to perishing, from that *serious difficulty*, and to prove, that, to the want of these blankets may fairly be attributed all the sufferings and disasters which befell our armies during that contest; though such was the abundance of the article on our own coasts and frontiers, that it required all the energy of the "American System," then springing into life, to prevent an introduction of the most ample supply!

The argument founded on the blankets is, as must be admitted, one of the most *cogent* ones, which has ever been adduced in favor of the "American System." But we would ask if a nation which at that time was engaged in the manufacture of woollens to the extent at least of 40,000,000 dollars in value, could be put in jeopardy by the want of 2 or 3,000 blankets. Is there not much more dan

ger in the nations being left unprovided with a supply of saltpetre, a material so necessary as a most important article of national defence? If those ingenious and profound reasoners, who maintain that the diminution of national wealth is the best mode of promoting national independence, are sincere in the belief of their own doctrines, why do they not, we again inquire, extend the system of prohibition, so as to comprehend an article so indispensable to the national security as saltpetre, and which, when most wanted, would be the most difficult of attainment, because under the control of the only nation, with regard to which a scarcity of that indispensable material for the most important munition of war could expose us to any danger?

Why, then, we again repeat, does not the article of saltpetre receive the same favors from the friends of the "American System," that iron and woollens have received, which, for fifty years at least, have been produced in this country to almost as great an extent in proportion to our population as they now are,—and this without the aid of more than one tenth part of the protection they now enjoy? It cannot be that the expensive process of obtaining this article has prevented its being protected; since the employment of domestic labor and capital is amongst the prime objects of the "American System." It is clear to the comprehension of any mind, that increased cost of production requires increased capital and more labor, and consequently that dear articles are more advantageous than cheap ones. Why should not this principle, now acted upon by the Government on the idea that it is beneficial to the nation, be applied also to the protection of saltpetre?

But if there are those who dissent from this fundamental doctrine of the "American System," they could not fail to be reconciled to an increase of duty upon the faith of another maxim constantly maintained by the restrictionists, that "*taxation lessens the price of an article*," or in other words, *the more a thing costs, the cheaper it is*, as has been frequently *demonstrated*, in the journal of Mr. Niles, and in the essays and orations of Mr. Everett, Mr. Binns, Mr. Carey, Professor List, and other eminent advocates of the "American System."

As no cause, then, has ever been assigned by the advocates of the high duty system, for the non-protection of this Western staple, we will venture to suggest a consideration which may possibly have led to the omission of a protecting duty on this important staple; viz. that its non-importation into the favored manufacturing States of the North, would transfer the business of manufacturing powder from those States to the less favored agricultural States of the West. Such a result would interfere with the interests of the Northern and Eastern powder manufacturers; and though perhaps not fifty in number, yet, from their alliance with the other great vested interests of

the manufacturing States, they possess more influence and power over the national legislation, and on the Presidential question, than the whole population of the Western States. That this is the true reason why protection has been withheld from this production of the Western States, may the more reasonably be inferred from the unexpected withdrawal of the excluding duty of five cents on molasses, and a restoration of the drawback on New England spirits, obtained chiefly by the influence of Northern manufacturers, whose power over the legislature of the Union seems almost irresistible.

The next Western staple, and the most important to their interests to have protected, is *spirits*, the distillation of which, could the grain-growers supply the whole demand, would greatly extend the consumption of their grain; and there is the same reason for excluding all kinds of foreign spirits, and molasses from which spirit is made, that there is for excluding iron, sugar, woollens, lead, &c., in order that the producers of those articles may have the entire benefit of the home market—at least as far as taxing similar foreign articles, from 40 to 200 *per cent.*, can secure it to them.

The attempt, however, of the Western delegation to retain this protection to one of their great staples, was partially if not wholly defeated by the exertions of the more influential delegates of the vested interests, whose complaints against the act of 1828 were loud and unceasing. Those delegates voted against a continuance of the ten cent duty on molasses, and for the restitution of the drawback on spirits exported, probably from the opinion, that such protecting duty on spirits and molasses was too great, though at the same time their manufacturing constituents were enjoying a protecting duty, on articles of their own manufacture, of from 40 to 200 *per cent.*

During the debates upon the Tariff act of 1828, the introduction of a high duty upon molasses was denounced by the members from the manufacturing States, as resulting from a hostile feeling to the "American System," and stigmatized as an act of "*vindictive legislation.*" Yet so far was this from being true, that the molasses duty, as has been before observed, was brought forward in 1820, and, as we are told by Mr. Stevenson, of Pennsylvania, in his speech of 1828, "on its being omitted in the bill of 1824, was placed there by the efforts of Mr. Clay." This gentleman, to do him justice, has always been consistent and manly in his conduct with regard to the existing system, and apparently desirous that each of the contending interests should share in its benefits,* and has so far evinced

* Since this part of the Exposition was written, we have read Mr. Clay's speech in the Senate, in which he lays down the principles on which he thinks the "American System" should be readjusted. With regard to spirits, he says, "In some instances there might be an augmentation of duties for that purpose. I will mention the article of foreign distilled spirits. In no other country on earth is there so much of the foreign article imported as in this. The duties ought to be doubled, and the revenue thereby increased from 600,000 dollars to

the sincerity of his belief in the expediency of the restrictive system, as promotive of all the great interests of the nation.

In evidence of Mr. Clay's agency in procuring the increase of the duty on molasses, which by New England members of Congress was imputed to Southern malice and Western hostility, and at the same time as a proof of Mr. Clay's impartiality to all the interests entitled to the benefit of the "American System," we refer to the following extract from his speech of 1824:—"He believed there was no fairer object of taxation than molasses. His great wish was to promote American agriculture, and in this view to encourage the production of the raw material of any subject of manufacture to which our country was adapted, rather than the importation of the foreign rival article." Again;—"If the policy of the country be well founded in imposing this high duty on spirits manufactured abroad, it equally dictates that a high duty should be imposed on an article produced abroad, susceptible of easy conversion into spirits, and which comes into competition with articles raised at home,

1,000,000 dollars. The public morals, the grain-growing country, the fruit-raising, and the cane-planting country, would be all benefited by rendering the duty prohibitory. I have not proposed the measure, because it ought, perhaps, to originate in the other House."

There is an inconsistency in advocating a prohibitory duty as beneficial to the morals of our people and as increasing the revenue, since a prohibitory duty must necessarily keep out the foreign article, and therefore, instead of increasing, annihilate the revenue now accruing from duties which admit foreign spirits. This power, however, of performing impossibilities, is one of the attributes of the "American System." It is quite as rational, however, to maintain the proposition, that a prohibitory duty, which excludes an article, will increase the revenue, as to affirm that a power in the Constitution to regulate trade,—namely to promote and increase trade, can fairly be construed into a right on the part of Congress to destroy trade; and yet this is the position maintained by Mr. Carey and Mr. Niles, and subsequently by Mr. Madison in his letters to Mr. Cabell. It is the ground-work of that ingenious and sophistical disquisition in the New York Tariff Convention Address, upon the constitutionality of the tariff laws, the laborious and painful effort of a mind reasoning against its own convictions; the work of a distinguished individual, according to the uncontradicted reports in circulation, who, fortunately for the cause of truth and justice, had so strongly established the opposite position, namely, that an act passed with the intention of prohibiting trade was unconstitutional—that it will be impossible to overthrow that just and common sense view of the illegality of the existing tariff law, or of any other act of Congress, which may hereafter be passed upon similar principles.

With regard, however, to an increased duty on foreign spirits, it must be admitted that Mr. Clay is right; since the wheat growers of the Western and Middle States have the same claim to protection, that the iron masters, sugar planters, and cotton and woollen manufacturers have so long enjoyed. If the future policy of the country is to be regulated on the principles laid down by Mr. Clay and sustained by Mr. Secretary M'Lean, namely, that it is just and expedient to exclude such foreign productions as can be imported cheaper than similar domestic articles can be afforded,—then, it necessarily follows, that every article, which can be raised or manufactured in this extensive country, is entitled to protection, and must be protected,—certainly up to that degree of protection enjoyed by the producers of woollens, iron, sugar, ranging from 25 to 200 per cent.

If the protecting system is politic and just, then let it be universal. If it is unjust and impolitic, then it ought no longer to be partially endured.

capable of similar conversion.”—“Every gallon of spirits distilled from foreign molasses, and consumed within the country, takes the place of a gallon of spirits distilled from domestic produce. The foreigner enjoys the benefit of the value of the raw material, and we that of the manufacture only. This latter advantage we should still possess, if we substituted a native raw material, to that which is furnished us from abroad, and consequently the mere interest of manufacturing would not suffer by the exclusion of the foreign material. *There would at most be only a change in the theatre of distillation.*” The subject was closed by a proposition on the part of Mr. Clay to insert in the bill, then under discussion, a duty of 12½ cents a gallon, which he subsequently modified by reducing it to 10 cents. And this was the exact rate established by the tariff law of 1828, and since reduced to 5 cents,—a measure complained of by Mr. Clay, who thought the Western States as fairly entitled to a protecting duty of 50 *per cent.* in favor of distillation from home materials, as the iron masters, sugar planters and woollen manufacturers were to protecting duties on their various productions, of 40 to 200 *per cent.*

What then, we ask, is the reason that the duty on molasses (one of the few beneficial effects of the tariff of 1828 to the agricultural interests of the Western States), was in the first instance resisted by the delegates from New England, and in the second place repealed with the aid of their votes? Was it not that a continuance of that duty, would, as is alleged by Mr. Clay, have caused a transfer of the business of distilling from the *powerful vested interests of New England, to the less influential States of the West?*

We trust that no one can so far mistake the purport of these remarks, as to suppose that we mean to advocate the increased duty on molasses imposed by the act of 1828, or that we lament its reduction to the former rate. But, with Mr. Clay, we contend, that upon the broad principle of encouraging domestic industry, as understood by the advocates of the “American System,” the Western States were injured by that measure; and differing in principle as we do with Mr. Clay, we cannot but respect the devotion to his own principles displayed in the independence and impartiality with which he defended the claim of the Western States to the whole protecting duty on molasses, as imposed by the tariff of 1828, in opposition to those, who, professing to be influenced by the same principles, would only allow a local and partial application of them. If the wealthy capitalists engaged in the production and manufacture of cottons, woollens, iron and sugar, have a right to the enjoyment of protecting taxes of from 40 to 200 *per cent.* on those immensely valuable productions, of which we annually consume 150,000,000 dollars, upon what principle of justice and equality can Congress withhold a protecting tax of 40 or 50 *per cent.* upon an article, which, so far from

being a necessary, or even comfort, of life, poisons half our population? A tax on spirits is one of the few taxes, that would really be useful, by lessening, in some degree, the use of an article so injurious to the health and morals of those who will not abstain from its consumption. We may hope, however, that the time is approaching when the grain of the Western States will be profitably employed in fattening animals for slaughter, or converted into flour or meal, and exchanged for the tropical productions, under moderate rates of duty; when the question of relative protecting duties to the Eastern or Western distiller, shall be utterly insignificant. Till this takes place, the "American System," if a just and wise one, should be extended to every domestic production in whatever part of the country it may be produced, according to the views of Mr. Clay; and this gentleman must stand infinitely higher in the estimation of those who differ from him on this great question, than those leaders of the tariff party, who, when the manufacturers were struggling under comparatively moderate duties of protection, violently opposed a slight addition to them, and who a few years afterwards defended with equal vehemence a tariff which more than doubled the rates they formerly resisted; or than those, who, at one period denounced any rates of duty beyond what were actually wanted for revenue, as "oppressive, unjust, and unconstitutional," and, a few years subsequently, denounced with equal zeal, as enemies to the Constitution and the country, all who had not been tempted by avarice or ambition to renounce those opinions they themselves had formerly maintained. From men, who, like Mr. Clay, have been open and consistent in their views, there is much to be hoped, either from a change of opinions too hastily adopted and leading to unforeseen and unexpected results, or from their relinquishing such as may require change in consequence of a subsequent change of circumstances.

From an highly endowed statesman, who has evinced on this question a steadiness of principle and consistency of action, which are generally indicative of correct motives, there is, we say, much to be hoped. But from men whose principles, like the votes of a rotten borough, or the shares of a manufacturing corporation, are transferable to the highest bidder, there is little to be expected, and every thing to be feared; for, though individually most of them may be of little importance, yet their numbers are so great, and the requisite temptations so low, that they cannot but continue to be, what they generally have been, a most efficient portion of many of our legislative assemblies.

Having shown that the great Western staples of saltpetre and whiskey are not protected by the existing duties, and the reason

why protection has not been granted to them, we proceed to an estimate of the advantages actually realized to the Western States, in consequence of the encouragement afforded, by the present tariff of duties, to those productions which are supposed to be protected.

It must be obvious to every one who reflects on the subject, that the gain to the Western States, from bounties granted by Congress in the form of protecting duties on foreign articles, similar to those produced in this section, must be limited to the amount of the extra prices caused by those duties on articles sold to other sections of the Union ; since the bounty on articles consumed within the Western States themselves, operating as a tax upon the consumers of such articles, is no gain to the section, though it may be to particular individuals, who are engaged in supplying the protected articles ;—and for this obvious reason, that what is acquired by one class of men, is taken from the earnings of another class, and is, therefore, instead of being an addition to the common stock, in truth a mere transfer from the community at large to a favored class of men, for whose especial benefit all the other classes are taxed.

For instance, let us suppose, that the annual produce of the iron mines in Pennsylvania is 30,000 tons, and that in consequence of the protecting taxes of 40 to 150 *per cent.* on that raw material, the iron masters make a clear gain of 25 *per cent.*, equal to 20 dollars per ton, over and above what any other mode of employing their capital would produce. The gain to the iron masters would, in this case, be 600,000 dollars ; but the gain to the State would only be on such a portion of the iron as might be sold out of that State. If 10,000 tons were the quantity exported from Pennsylvania to other States, her own capital would be thereby increased 200,000 dollars ; but the bounty on 20,000 tons consumed in the State, would be a gain to the iron masters only, and *not to the State*, as the gain of the producers would be precisely equal to the loss of the consumers, in the extra price paid for their iron. There would certainly be an augmentation of the capital of the iron masters on 20,000 tons at 20 dollars a ton, being 400,000 dollars ; but there would be an equal diminution of the capital of the Pennsylvania consumers, in the increased prices paid for the iron. In fact, it would be a tax of 400,000 dollars on the million and a half of farmers, mechanics, merchants, and other citizens, for the benefit of a few hundred iron masters, without adding one dollar to the wealth of the State. Her whole benefit from the iron monopoly must be limited to the bounty on the quantity of iron which is sold to purchasers out of the State.

The benefit, then, which the inhabitants of the Western States, with a population of 2,394,803 souls, derive from the partial distribution of the taxes imposed on the nation by the act of 1826,

must be limited to the extra prices they obtain, in consequence of that act, on the protected productions which they dispose of in other sections of the Union. These protected productions are principally iron, cotton bagging, hemp and wool,—lead being confined to Missouri; and these are the only articles which can derive any benefit from the existing system, that benefit being the extra price caused by the duty, and consequent enhancement of price on the similar foreign article, operating as a bounty on the domestic article.

First, then, as to Iron. For information as to the quantity of that article produced in the United States, we find the most precise statement in a speech of Mr. I. S. Stevenson, member of Congress from an iron district in Pennsylvania, one of the committee who reported the tariff bill of 1828, and who advocated it in a very elaborate speech, in which he entered into a minute detail of the quantities of iron produced in those parts of the country, which may be considered as iron States. Now, as it was the interest of the iron masters and their partisans in Congress, to exaggerate the quantities of the home-made iron, there is no reason to suppose that he has in any instance underrated the production. The statement of Mr. Stevenson agrees in many particulars with the evidence taken before the committee of manufacturers, of which Mr. Stevenson was a member; and especially with the testimony of Mr. John Mitchell, one of the persons examined by that committee. Mr. Mitchell was at that time a member of Congress from Pennsylvania, and professed to the committee to have an intimate knowledge of the iron business in the State he represented, having himself been personally engaged, for nine or ten years, in the manufacture of iron.

Of the quantity of iron produced in the Western States, Mr. Stevenson says, that “a very accurate estimate in his possession gives for Ohio 5,000 tons, and Kentucky 4,500 tons of pig metal, making together 9,500 tons. Mr. Stevenson and others estimate a ton of pig metal equal to two thirds of a ton of bar-iron. Consequently the produce of raw iron in the Western section, was, at the period of the passage of the tariff bill in 1828, 6,333 tons.

The question now recurs as to the benefit which Ohio and Kentucky derive from the bounty bestowed upon this article by the protecting system, on the supposition that it might be equal to 20 dollars per ton. We say that this quantity of iron, and much more, must be consumed in those States, and consequently the bounty of 20 dollars per ton, though gained by the proprietors of the iron mines and manufacturers of iron, is levied on the consumers, in the increased price of the iron beyond the price it would cost them under a free trade policy, and therefore, though a gain to individuals, is not to the Western section.* It is a mere transfer from one class of men to another

* As the Western States, according to Mr. Stevenson's statement, produce but little iron, that section, instead of being benefited by the bounty of 20 dollars

class of men—from millions of farmers and mechanics, who pay an increased price of 25 to 50 *per cent.* for the principal material of their working implements, to a few hundred iron masters, who were carrying on a prosperous business thirty years ago, under revenue duties of 5 to 15 *per cent.*; whereas the present duties on raw iron range from 40 to 150 *per cent.*, though manufactures of iron are admitted at a duty of 25 *per cent.*

According to the testimony of the iron masters before the committee of Congress, the price of iron in 1828, in the Middle States, was from 100 dollars to 120 dollars the ton. Were the duties on the foreign articles removed, the prices of raw or bar iron would decline to 35 and 65 dollars the ton on the sea-board, and from 45 dollars to 75 dollars in the interior of those States.

The New York Tariff Address, in pointing out the benefit of the "American System," states, that "bar iron, which sold at Pittsburg in 1829 at 122 dollars, sells there now for 95 dollars." This, we doubt not, is true; but were the duty on iron to be reduced, the merchants of Baltimore and New York would deliver at Pittsburg all that is wanted for the consumption of that part of the country, at from 45 dollars to 75 dollars the ton, and at New York at 35 dollars to 65 dollars the ton, estimated by the latest European prices. Such a measure would undoubtedly lower the profits of the iron masters, but would be beneficial to all other classes, not even excepting the laborers employed in the production and manufacture of iron, since their wages would remain at the same rate as at present, if their employment in that branch of industry should be continued, and if not, they would in any other occupation be able to earn the same rate of wages. While the wages, therefore, of the laborers in the iron business, would remain at the same rates which they now are,—if the taxing system was repealed, they would obtain their cottons, woollens, salt, sugar, molasses, glass, and many other necessities of life, at lower prices than they now pay for them.

We come now to Cotton Bagging, on which there is a heavy duty, bearing severely upon an agricultural staple, more depressed in value than any production of the country, but growing as it does in a section which has for some years ceased to have any influence in the national legislation, or, as regards the Tariff question, any rights under the Constitution, it is of course put down as one of those articles which may be taxed with impunity, and much to the benefit

per ton, enjoyed by the iron masters, is heavily taxed, since the people of those States are importers of iron, as well as those of the Eastern and Middle States. Taking their consumption at 15,000 tons beyond what is produced within those States, their share of the iron tax, levied for the benefit of some of the wealthiest men in the Union, would amount to 450,000 dollars.

of the vested interests of the manufacturing States. Indeed the bounty on that fabric was held up, by the partisans of the privileged interests, as a portion of the gain they would derive by giving their support to the act of 1828.

We admit that on this manufacture the Western section may gain,* as the principal portion of it is sold for consumption to the cotton-growing States, who are thus rendered tributary to them for all the increased price which is imposed on the article, beyond what it would cost in the absence of the protecting tax, or under a free trade system imposing moderate duties for revenue.

While, however, we admit this, it must be conceded by our opponents, that all which has been gained by the manufacturers of bagging in consequence of the excessive duty of 1828, is the profit on the quantity of foreign bagging which has been excluded by the

* Mr. Clay, in his speech in the Senate, asserted that even upon bagging there was no advantage accruing to the Western States from the high duty imposed on it, because that duty was almost entirely evaded, as will be seen by the following extract :—

“ But if the system be preserved, it ought to be honestly, fairly, and faithfully enforced. That there do exist the most scandalous violations of it, and the grossest frauds upon the public revenue, in regard to some of the most important articles, cannot be doubted. As to iron, objects really belonging to one denomination, to which a higher duty is attached, are imported under another name, to which a lower duty is assigned, and the law thus evaded. False invoices are made as to woollens, and the classification into minimums is constantly eluded. —The success of the American manufacture of cotton bagging has been such as that, by furnishing a better and cheaper article, the bagging of Inverness and Dundee has been almost excluded from the consumption of the States bordering on the Mississippi and its tributaries. There has not yet been sufficient time to fabricate and transport the article in necessary quantities from the Western States to the Southern Atlantic States, which therefore have been almost exclusively supplied from the Scottish manufactories. The payment of the duty is evaded by the introduction of the foreign fabric, under the name of bur-laps, or some other mercantile phrase, and instead of paying five cents the square yard, it is entered with a duty of only fifteen *per cent. ad valorem*. That this practice prevails, is demonstrated by the Treasury report of the duties accruing on cotton bagging for the years 1828, 1829, and 1830. During the first year, the amount was 137,506 dollars, the second 106,068 dollars, and the third it sunk down to 14,141 ! ”

Thus, according to Mr. Clay, the Western manufacturer is cheated out of his share of the benefit of the “ American System,” by smuggling and fraud ; and the honest merchant deprived of the means of pursuing a business in which he is undersold by those who evade a great portion of the duties on bagging, iron, woollens, and probably many other articles.

Mr. Clay calls for an inquiry into the manner in which the revenue laws have been executed. We trust a thorough investigation will follow, and such alterations be made in the existing laws as will render them more efficient than they have heretofore been.

The impression prevails almost universally among mercantile men, as well as the manufacturers, that frauds to an enormous amount are practised upon the government by false entries, and false valuations ; and that smuggling is carried on to a great extent on the Northern and North-eastern frontiers of the country. Unless something is soon done to prevent such proceedings, the main business of importing high dutied articles will be entirely transferred from the fair-dealing merchant to the fraudulent importer and the smuggler.

operation of that act. On referring to the importations of this article for several years prior to the act of 1828, we find the quantity of imported cotton bagging to have varied from two to five millions of yards. Since the passage of the law the importation has declined to 700,000 yards—the last year to 272,000 yards.

According to this statement, the Western manufacturers of bagging, have an increased demand for 3,000,000 or 4,000,000 of yards of this article. But, admitting for sake of argument, that, from the increased consumption of their fabric for some years, the tariff of 1828 did enable them to force upon the cotton planters of the South, 8,000,000 yards more than they would have purchased, if they had been allowed to buy the article where it could have been most cheaply obtained—what would have been the gain to the Western manufacturers on this protected article? Why, if the whole amount of duty, 5 cents per yard, had been a gain to that part of the Union, it would amount to only 400,000 dollars, which, in reference to a population of two millions and a third, is not worthy of consideration; in truth, it is less than the bounty enjoyed by perhaps twenty individuals engaged in supplying this very section with many millions in value of the necessaries of life, at 25 to 50 *per cent.* higher prices than they would cost under a free trade system.

The next protected staple of the Western section is Hemp. The investigation of the operative effects of the high duty system on this production, will show how delusive are the expectations of the farmers of the hemp-growing districts, in supposing that they share in the benefits of the "American System."

On the adjustment of the act of 1828 by the two great tariff parties in Congress, who represented the manufacturing interests of the Northern States on the one hand, and the agricultural interests of the Western on the other, there was a demand made by the Western delegates, that there should be an increased duty on hemp, as it then only enjoyed a protection of 35 dollars the ton, equal to about 25 to 30 *per cent.* on the clean and outshot. As the duties on cottons were then on an average equal to 45 or 50 *per cent.*, and on sugar, iron, glass, lead, &c. 35 to 125 *per cent.*, it appeared reasonable that the hemp grower should also have the bounty raised on his staple. In pursuance of this reasonable demand an increase of duty was recommended by the Harrisburg Convention, without however specifying what additional sum should be levied, as they had done in regard to some other articles. Accordingly, the duty was advanced by the act of 1828, till it should attain the rate of 60 dollars the ton, equal to a duty of 40 to 60 *per cent.* on the two qualities of outshot and clean hemp.

This, certainly, is a burthensome tax on the consumers of hemp, but infinitely less so than the duties on sugar, iron, cotton, and wool-

lens, which have been most zealously supported in Congress by the delegates from the Northern manufacturing States, while the hemp duty was resisted by the New England delegation,* at the very mo-

* This was one of the taxes complained of by the New England delegation as the effect of Southern *malice*. It is very true that many of the Southern members, when they found the tariff of 1828 could not be resisted, joined the Western delegates in support of that duty, upon the principle that if the system of high duties must prevail, it was just that the farmers of the Middle and Western States should derive some benefit from it, as well as the iron masters and cotton and woollen manufacturers, whose monopolies are protected by more than double the rate of duties granted by the act of 1828 to the hemp-growers. But the augmented duties granted by the act of 1828, on hemp, wool, molasses, and spirits, did not originate with the delegates from the anti-tariff States, but were advocated in the earliest stages of the "American System," by the most influential delegates from the Middle and Western States, who taxed the delegates from the Eastern States with gross inconsistency and injustice, in resisting a moderate addition to the protecting duties on agricultural staples, while they claimed for their own constituents infinitely higher rates of protection. The following extract from a speech of Mr. Buchanan, member of Congress from Pennsylvania, will show his feelings and opinions in relation to the conduct of the Eastern members of Congress, some of whom were themselves deeply concerned in articles of manufacture enjoying the benefit of protecting duties of 25 to 200 *per cent.*, which have since been greatly increased, while others were dependent for their political elevation upon those who were still more largely concerned in the favored branches of manufacturing.

"Although every good man must deplore the excessive use of ardent spirits in this country, yet it is the clearest dictate of policy, if the article must be used, that of domestic origin ought to be preferred. In proportion as you substitute the use of whiskey for foreign spirits, in the same proportion do you increase the demand and the price for the grain of the farmer. Most persons in this assembly will be astonished to hear, that we import annually between 5 and 6,000,000 of gallons of foreign spirits, which cost between two millions and two millions and a half of dollars. The total value of the flour which we exported from this country, even before we lost the British West India trade, did not exceed double the value of the spirits imported. If the use of whiskey were substituted throughout the United States, for that of foreign spirits, it would open a market for the grain of our farmers, better than any foreign market in the world.

"The Tariff of 1824, which afforded additional protection to almost every other interest in the country, contained no provision in favor of the growers of grain. It did not increase the duty upon foreign spirits. That duty now remains as it was established by the Tariff of 1816.

"The friends of the Woollen Bill, opposed with equal vigor and with equal success, any increase of the duty upon foreign hemp. It is most strange, but it is not the less true, that the American navy—our bulwark and our defence, is exclusively supplied with hemp from Russia. We are the most agricultural people upon earth, and yet we depend upon a foreign nation for the supply of an agricultural product, without which our navy could not exist. For many years it was believed, that the hemp of Russia was superior in quality to that of the United States. This delusion has vanished. It has been ascertained that the difference between the two articles is occasioned entirely by the different methods, in which they are prepared for market. The Russia hemp is water-rotted, the American hemp is dew rotted. There is no country upon earth, in which greater facilities are afforded for water rotting hemp, than in Lancaster county. If its cultivation were encouraged by the Government, the home demand would very soon be supplied with the domestic article; and thus the half million of dollars, which is annually sent to Russia, would go into the pockets of our own farmers.

"We had a right to expect, that if our farmers should agree to pay a heavy additional duty upon all the woollen goods which they purchased, for the benefit of manufactures, the manufacturers would not object to a small additional

ment when they voted for Mr. Mallary's amendment, because they were not satisfied with the duties on woollens recommended by the committee of manufactures, averaging more than double the rate of the hemp duty, and bearing severely on one of the most important necessities of life.

Mr. Webster, in defending the tariff of 1828 (at least that part of it favorable to the Northern manufacturers), said,—“I cannot conceive any thing more unwise, or ill judged than this appears to me to be. The duty on hemp is already 35 dollars per ton, and the bill proposes a progressive increase till it shall reach 60 dollars. This will be absolutely oppressive on the shipping interest, the great consumers of the article. When this duty shall have reached its maximum, it will create an annual charge of at least 100,000 dollars, falling, not on the aggregate of the commercial interest, but on the ship owner. The navigation of the country has already a hard struggle to sustain itself against foreign competition; and it is singular enough that this interest, which is so severely tried, which pays so much in duties on hemp, duck and iron, and which it is now proposed to put under new burthens, is the only interest which is subject to a direct tax by a law of Congress. The tonnage duty is such a tax.”

duty upon foreign spirits and upon foreign hemp—for the benefit of agriculture. We thought this was no more than a just reciprocity; but we found that the Representatives of the Eastern manufacturers were of a different opinion.

“A motion was made by myself, that the Woollen Bill should be recommitted to the Committee on Manufactures, with instruction so to amend the same, as to make the duties on the importation of foreign woollen goods and foreign wool, commence at the same time; and to make the duties the same on foreign wool, whether imported upon the skin or not; also to increase the duty on importation of foreign spirits not less than ten cents per gallon; also to increase the duty on the importation of foreign hemp not less than five dollars per ton.”

“No question was ever taken upon this motion. A member from New Hampshire rose and moved the previous question, which was sustained by the House and put an end to all amendment and to all debate. The vote was 102 to 98. Every Representative from New England, except one, voted for the previous question. Only eight of the Representatives from Pennsylvania voted in favor of it, the remaining eighteen voting against it.

“The friends of the Woollen Bill have often said, Let us now protect wool and woollens, and afterwards we will protect other articles. I ask, have we any reason to hope, that after we shall have afforded them the protection which they demand, they will assist us in obtaining additional duties for the benefit of the grain, and hemp, and manufactures of Pennsylvania. If they will not now vote for an additional duty upon any of these articles, when they have so much at stake, will they generously and voluntarily give it to us, without any equivalent, after they have obtained all they desired? All our experience is at war with such a supposition.”—*Mr. Buchanan's Speech at Lancaster, 1827.*

The ignorance evinced by this gentleman, in the extracts we have given, and in other parts of his speech, would be discreditable to any man of education out of the Congress, where the standard of knowledge frequently appears to be as low, as that of the political morality on which some of its acts are founded. Mr. Buchanan is consistent, however, in maintaining that the staples of farmers are as much entitled to governmental bounties as the productions of the manufacturers. The whole system is absurd, and unjust, and unconstitutional; but there would be some satisfaction to the sufferers to see the evils impartially distributed, as the nation might, in that case the sooner be cured of the delusion under which it is now suffering.

With regard to the ship-owners, it is true that they are heavily taxed; and yet Mr. Webster, who reprobates with so much justice and feeling an excessive duty on this article, which he estimates at 100,000 dollars, gave a most efficient support to an act, which, besides diminishing the employment of our shipping, imposes an *annual* tax on our ship-owners of nearly *three millions of dollars*, and founded on principles, too, which he had declared were "absurd, unjust and inconsistent with the principles of our Constitution, and with sound policy," and as tending in their operation "to favor great capitalists rather than personal industry, or the owners of small capitals—to encourage the practice of smuggling—and to diminish the industry, impede the prosperity, and corrupt the morals of the people."

The remarks of Mr. Webster are just, as regards the hemp tax. But upon what principles of consistency or justice, or of due regard, not merely to that gentleman's manufacturing constituents, but to his national constituents, could he complain of a protecting tax of 100,000 dollars in favor of the hemp-growers, while he advocated duties averaging at least 100 *per cent.* on cottons, woollens, iron and sugar, which involve an annual tax of at least five millions on the hemp-growing districts? If the principle of protecting the wealthy men concerned in the monopolies of iron, sugar, cotton and woollen manufactures by duties of 25 to 200 *per cent.*, be a wise and just principle to act upon, can the benefit of that principle be withheld from the less affluent farmers of the Western States, especially when they ask for a much lower rate of protection?—a tax, too, which, instead of bearing on the consumption of at least one hundred and fifty millions in value of the first necessities of life, affects the consumption of only about one million of dollars in value of agricultural produce—such being about the amount of foreign hemp consumed prior to the augmentation of duty in 1828.

Mr. Webster notices, with much feeling, the difficulties which the navigating interest of this country had to encounter in sustaining itself against foreign competition. With these correct views of the existing policy, and his well-known regard to the commercial and navigating interests of the country, which he formerly so ably defended, it is equally a matter of surprise and regret that he should have been more instrumental than perhaps any other individual in the nation, in the enactment of a law more calculated to lessen, if not annihilate, the commerce and navigation of a great country, than any that has before been passed by any government, assuming to be influenced by motives of sound policy and a just regard to the rights of all classes of the community.

It is not, however, the foreign competition which the ship-owners and merchants have principally to fear; since, placed on as favorable a footing as their comparatively untaxed rivals (the British ship-

owners and merchants), they would defy competition. It is the unfriendly and unjust conduct of our own government in heaping tax upon tax, restriction upon restriction, that has weighed down the interests of these neglected and injured classes, as has been proved by authentic documents exhibiting a decline in both commerce and navigation of from 40 to 50 *per cent.*, since the commencement of the restrictive system;—a decline which is the immediate consequence of its destructive regulations. It is, we repeat, of the unwise, unjust, and unconstitutional acts of our own government that the merchants and ship-owners have to complain, and not of the competition of their foreign rivals, who have always been distanced in the race with their American competitors, when, relying on their own skill and enterprise, they have been left untrammelled, and untaxed by “protecting systems,” the effect of which, as Mr. Webster has truly said, was to “*diminish the industry, impede the prosperity, and corrupt the morals of the people* ;”—and it may be asked, for what? Why, as we are told by that gentleman, to favor “great capitalists,” who, not content with the common advantages which wealth usually and fairly confers on its possessors, are grasping at the fruits of injustice, because sanctioned by a law which many of the very capitalists who now partake of its fruits, had declared to be unjust, and *opposed to the spirit of the Constitution* ; and since denounced, by some of the most influential advocates of the “American System,” as “the result of a political compromise, and a corrupt bargain,” and, as is remarked by Mr. Niles, “rather intended to benefit the manufacturers of a President,” than to aid those manufacturers whose interests the Tariff of 1828 affected to promote.

We are aware that these remarks on the conduct of the party that advocated the restrictive system as far as it promotes the views of that wealthy class, who are interested in certain favored branches of industry, and who resist its application to all other interests—may appear irrelevant to the point under discussion. But our object has been to show that there is no community of interest, of feeling, or of views, between the privileged manufacturers* of the Eastern

* In justice to the manufacturers, we repeat that the most intelligent of them have been uniformly opposed to high duties. The following extract from a Memorial to Congress in 1824 against an increase of duties, expresses the opinions of some of those most largely concerned in manufactures of cotton and wool.

“Happily in the present case, intelligent individuals of both the manufacturing and mercantile classes concur in the opinion, *that excessive duties, even on foreign articles, similar to those manufactured in the United States, would materially injure the latter class, as well as other classes connected with and dependent upon them, without an equivalent benefit to the former.*—

“Inconsistent and injudicious as, in the opinion of your committee, are most of the details of the bill before us, they are insignificant, compared with the principle on which it is founded. This appears to be in substance—that in order

and some few counties of the Middle States, and the agricultural population of the Western and Middle States. A careful review of the Congressional proceedings in relation to the tariff question will show, that the interests of the latter have always been sacrificed to the former, who have, in fact, for some years past, influenced and controlled the national legislation.

The benefit which the hemp-growers supposed they should derive from the increased duty of 60 dollars the ton on that article, was from the expectation of a more extensive demand, and consequently an increased price. One object of the act of 1828 was, by an exclusion of foreign hemp, to compel the merchants to use the domestic article; and it is obvious that, unless that object is accomplished, the farmers of the Western States derive no benefit from that act. But we contend, that there has been no increased consumption by the merchants, and that so far from the price of domestic hemp having advanced, it is only worth about half the price it bore before the commencement of the protecting system.

The importation of foreign hemp has diminished, but this has arisen, 1st. From a decline in our shipping. 2d. From the substitution of foreign cordage, partly imported, and partly procured abroad for the sake of avoiding the tax on hemp. 3d. By the importation of an Asiatic production superior even to Russian hemp, and which pays a duty of 15 *per cent.*, instead of a duty of 40 to 60 *per cent.*, levied on other foreign hemp;—paid for, too, with the precious metals, which, according to the most distinguished partisans of the vested interests, is such an unpatriotic and ruinous operation to the country—gold and silver being, in their estimation, the only commodities which can be considered as real wealth.

to *bring into existence*, and to encourage certain branches of domestic industry, it is expedient to check or destroy certain other branches of that industry, or to embarrass, if not overturn long established occupations, for the sake of building up and extending new ones. But as national profit is but the aggregate of the profits of individuals, we cheerfully submit the question to every intelligent mind, whether it is possible for any government to be so well acquainted with the private concerns of individuals, as to determine the direction of individual industry, and to decide which of the varied employments of domestic industry its citizens shall be compelled to choose.

ISRAEL THORNDIKE,	} Committee."
ISAAC WINSLOW,	
SAMUEL MAY,	
JOHN TAPPAN,	
GEORGE BOND,	
AMOS LAWRENCE,	
WILLIAM GODDARD,	
HENRY WAINWRIGHT,	
WILLIAM STURGIS,	
JOSHUA BLAKE,	
THOMAS P. CUSHING,	
JOHN A. LOWELL,	

The quantity of hemp imported from the Baltic, from which quarter our principal supply is derived, was in the years 1815 to 1820, 2300 to 5700 tons. In 1822 the importation extended to 8500 tons; but that being an over supply, the following year the importation was but 2530 tons. From 1824 to 1828, inclusive, the average importation was 4478 tons. In 1829 (a year so disastrous to commerce and navigation, principally from the operation of the high duties imposed in 1824, and so considerably increased in 1828), our importation of Russian hemp declined to 2400 tons, and in 1830 to less than 1600 tons. It was during this period that our navigation declined so rapidly, though that fact was not apparent in the Treasury returns, owing to the tonnage being uncorrected for some years and exhibiting nearly half a million of tons more than the true tonnage. The importation of Baltic hemp for the present year, from the improvement in navigation and commerce after four years of depression, it is supposed, will be from 3500 to 4000 tons.

During this period large importations have been made of the substitute for hemp, before referred to, the production of the Philippine Islands, and usually imported from Manilla, which, paying, as it does, only about one third of the duty imposed on Russian hemp, necessarily interferes with the domestic article. It is the importation of foreign cordage, however, which has principally defeated the object of the hemp-growers, as may be seen, by a comparison of imports of earlier with those of later years.

The average importation of foreign cordage from 1819 to 1821, inclusive, was less than 250,000 lbs., while from 1828 to 1830, inclusive, the average quantity imported is upwards of 2,000,000 lbs. In addition to the imported cordage, a very large quantity, for the supply of our vessels abroad, has been purchased in foreign ports, as well as other high dutied articles necessary for the equipment of ships, with a view of saving the taxes imposed by the ship-destroying act of 1828.

The result of an inquiry into this matter has satisfied us, that there are not 1000, and probably not 500 tons more of domestic hemp consumed than there would have been, had the Tariff of 1828 not been enacted. The duty was intended to compel the proscribed ship-owners to use it; but neither have they, nor will they make use of an article unfit for their purposes, while they can find substitutes which as yet have escaped the notice of the manufacturers of tariffs.

The domestic hemp is not only avoided by the merchants, but it is rejected by the Government—by the agents of this and the preceding administration, who have encouraged the passage of laws, or a perseverance in laws already enacted, for the purpose of forc-

ing the consumption of an article upon the ship-owners, which the public agents think of too inferior a quality for the purposes of Government.

The most important point, however, remains yet to be settled ; and that is, the effect which the protecting system has had upon the price of Western hemp. And here fortunately we can recur to *facts* ; —facts which, on this point as well as others, demonstrate equally the evils of restriction, and the benefit of the opposite system.

The hemp-growers were encouraged to believe, first, that the act of 1828 would secure to them the whole, or nearly the whole consumption of the United States ; secondly, as a consequence of such increased demand, that the price of their staple would become advanced. To ascertain this point, we refer to New York prices current of 1831 and April 1816, being three months prior to the operation of the first protecting tariff. We find by the latter, that the price of American hemp in the New York market, at that period, was 190 dollars the ton, while in 1831 it is quoted at 100 dollars the ton. On the other hand the price of Russian hemp was 225 dollars in 1816, and, in 1831, 220 dollars—which is about its present value.

But it may perhaps be urged against us, upon our own principles of accounting for the fall of prices, that the article had declined in foreign countries, in consequence of the effect of our home competition. But if such had been the fact in regard to hemp, the decline in our markets would have been greater than 5 dollars the ton. It so happens, however, that hemp is one of the few articles of commerce which has advanced in price, instead of having fallen, since the origin of the protecting system. On turning to a statement of hemp in St. Petersburg, furnished by several experienced merchants in that trade, we find the average cost of clean hemp, in 1816 and 1817, to have been 104 dollars per ton, while for 1829, 1830, and 1831, the average price of a similar quality is 136 dollars per ton.

Thus, then, have we demonstrated by undeniable facts, that the practical effects of the “ American System,” as regards the hemp-growers of the Western States, have been to lower the value of their staple ; and this has been caused in regard to hemp, as well as many other articles, by holding out inducements to a more extended production, under the delusive notion that the hemp-growers, like the owners of the sugar, iron, and woollen monopolies, were to have an increased demand for their productions, through the medium of an impolitic, unjust, and burthensome tax on the commerce and navigation of the country.

While the hemp-grower has been thus deceived by the present tariff, a large class of industrious manufacturers, with no capitals to depend on for their support, have been deprived of their occu-

pations, owing to the use of foreign cordage. Indeed, there are probably more manufacturers deprived of employment by the duties of 40 to 150 *per cent.* on these two raw materials, hemp and iron, than are actually benefited by the extreme duties imposed by the mischievous tariff of 1828; and yet how often is it proclaimed to the public, that the advocates of the taxing system, the enemies of free trade, are the only friends of the manufacturer. That the existing system may for a time be favorable to those who have large sums invested in the particular branches of business which are favored with the bounties drawn for their support from the pockets of the people, we will not deny. But we maintain, that the great mass of manufacturers, who depend on small capitals, or upon manual labor, are as much wronged and as much injured by the existing tariff, as any class whatever, with the exception, perhaps, of the farmers of the Middle and Western States, who, though deluded into a support of the act of 1828, by their political agents, who had other objects in view than serving their constituents—have in truth been the victims of the *non-exportation policy*, which, by diminishing the demand for our agricultural staples, must necessarily lower the price of all they have to sell, while it raises the price of all they have to purchase; and, in asserting this, we use the very language of an authority held in great respect by the advocates of the anti-commercial policy, (we mean Mr. Webster,) who, in the Faneuil Hall resolutions of 1820, advocated if not drawn up by him, said, “that the effect of high bounties on domestic manufactures *favoured great capitalists, rather than personal industry, or the owners of small capitals* ;” and that among the obvious consequences of the system, would be this, “that the farmer would give more than he now does for all that he buys, and receive less for all he sells.”

In evidence of the correctness of the principle laid down by Mr. Webster in 1820, and sanctioned at that time by those who have since been drawn into a support of the system of bounties and taxation—not so much from a change of opinion, *as a change of position*—we say, in support of that sound principle of political economy, adduced by Mr. Webster, namely, that restrictions on commerce lowered the value of what the farmer had to sell, and enhanced the cost of what he had to buy; we can bring facts (always fatal to the cause of injustice) to prove, that such has actually been the effect of the “American System” upon all or nearly all our agricultural productions, as may be seen by a comparison of their prices prior to the adoption of the protecting system with the prices of the present year. For this purpose, we again refer to the New York price currents of January 5, 1831, and April, 1816, from which we will extract the prices of the leading articles of trade in the New York market at those periods.

	Free Trade Prices of 1816.		American System Prices of 1831.	
"Beef, mess to cargo,	\$8	50 to 13 50.	\$4	50 to 8 62
Beans, 7 bushels,	18	00 "	7	" 12½
Butter,	19	" 28	8	" 12½
Clover Seed, . . . per lb.	15	" 29	11	" 11
Cotton,	28	" 29	9	" 11
Fish, Cod, ql. 3	"	5	1 75	" 2 56
Shad, bbl. 12	"		8 50	
Mackerel,	12	" 14	5 38	" 6
Flax, lb.	12	"	8	
Grain,—Wheat, . . bush. 1	37	"	1 25	
Rye, "	1	"	70	
Indian Corn, . . "	94	"	57	
Barley, "	1 12	"	78	
Oats, "	57	"	27	
Hemp, ton, 190	"		100	
Lard, lb.	17	"	8½	
Hops, "	28	"	15	
Leather, "	22	"	20	
Lumber, 1000 ft. 15	" 30		15	" 20
Naval Stores, . . . bbl. 3	" 3 50		1 12	" 2 50
Pork, "	16	" 23	10	" 13
Deer Skins, lb. 30	" 45		8	" 14
Whiskey, gall. 60	"		30	
Tobacco, 100 lb. 10	" 20		3	" 10
Tallow, lb. 13	"		7½	
Wool, common qualities,	50	" 1 00	35	" 70"

From the New York prices is to be deducted the discount on bank bills, as the banks had not then resumed specie payments. This discount in April, 1816, was 10 *per cent.*; but in July the discount fell to 8 *per cent.* To equalize the prices of 1816 with the specie value, an abatement of 8 to 10 *per cent.* should be made from the prices of 1816. After making this allowance, however, it will be found that there has been a great decline in the prices of all the agricultural staples, except wheat, which happened at that time to be depressed, in its relative value, much below any other staple of the country, and very much lower than the price to which it had attained before the close of the year 1816. In truth, there has been no article of production that has fallen more in value, since the protecting system commenced, than wheat, at once the most important, and the most valuable of our staples. This fact we shall proceed to prove, by a reference to a table of prices of flour in the Philadelphia market from 1785 to 1830, which we think may be relied on, from the respectable source whence it was obtained,—“The Journal of Commerce of New York.”

All who are familiar with the publications in favor of the restrictive system, will recollect how often the growers of wheat and other grains, have been called upon to aid the “American System,” because it tended to increase the price of bread-stuffs, in consequence of the immense consumption of the manufacturing States. “We want a home market for our flour,” has been the cry of the restriction-

ists; "and this," say they, "the high duty system will give the farmers of the grain-growing States, and consequently advance the prices of their rye, wheat, Indian corn, &c."—"Nothing," says the New York Tariff Address, "nothing can relieve the farming interest of the Middle States, but their own manufactures, and the manufactures of the Eastern States."

The Address goes on to state, that "a million of barrels of bread-stuffs are imported annually into the Eastern States," which is attributed to the "American System." In the first place, the quantity, no evidence for such an assertion being given, may be exaggerated; and secondly, a considerable portion is re-exported and forms part of that foreign commerce, which it is the object of the leaders of the tariff system to obstruct, if not annihilate. The quantity re-exported from the Eastern States, would probably be double or treble what it now is, but for the tariff, or, as it may be termed in reference to commerce, "the non-exportation system." Thirdly, the importation of bread-stuffs into the Eastern States is so far from being a new business, that, relatively to the population, as great a quantity has, for at least 40 or 50 years, been imported as at this period. Fourthly, supposing it to be true, that a million of barrels of bread-stuffs are imported into New England for re-exportation and consumption under the present anti-commercial system,—there is every reason to believe, that, under a free trade system, the quantity imported would have been two millions of barrels, since the consumption afforded by the cotton and woollen manufacturers, who are principally benefited by the restrictive policy, is by no means equivalent to the diminished consumption of mechanics, seamen, merchants, manufacturers and others, not dependent on the "American System." A system, that, as we are told by Mr. Webster, "favors great capitalists, rather than personal industry, and *which corrupts the morals of the people*," cannot be productive of increased population, or increased wealth, and consequently has not increased the consumption of bread-stuffs where that system prevails.

But it may be said that the gentleman whose remarks we have so often quoted in defence of our propositions, has changed his opinions, and that the weight of this authority is now against us; or that ours is one of those *theories* of free trade, which is sound as a *theory*, but cannot be sustained by practical results. Let us then resort to facts—to those facts which the advocates of the national interests are reproached for not oftener producing, though, if such a charge be really true, our opponents ought not to complain, for the exhibition of such facts must be necessarily fatal to their theories, their assertions, and their pretensions.

The first protecting tariff went into operation in July, 1816, but did not fairly show its effects for twelve or eighteen months. We will, then, give the prices for a period of five years, commencing in 1818,

and ending in 1822, as exhibiting the first effects of the "American System" on the great staple of the Western and Middle States, whose industrious population have been unaccountably seduced into its support.

On referring to the table, then, we find the average price of flour from 1818 to 1822 inclusive, in the Philadelphia market was \$6,63 the barrel. This may be considered the "*American System*" price. We will now take the five years prior to the commencement of that system in 1816, beginning with the year 1813, and ending with 1817; and we find the average price of flour in the same market to have been \$9,54 the barrel, which we call the *free trade price*. A decline from \$9,54 to \$6,63 on the whole crop of bread-stuffs, estimated by Mr. Niles, in 1830, at 22 millions of barrels, would lower the value of this great agricultural staple, raised in that part of the country, *sixty-five millions of dollars*, and still the wheat-growers have been told, that the "American System" has given them a home market, and *raised the price of their produce!*

But it may be said that it is not just to decide upon the effects of the "American System" by so short a trial of its efficacy, as the act of 1816 gave but a moderate protection to the privileged interests, compared with the act of 1824. Let us, then, take the price of flour from 1824 to 1828, when the duties were raised much higher, and examine the effect on the price of the article in question.

On turning to the table, we find the average price of those five years to have been \$5,24 the barrel, showing a reduction in the value of the whole crop of bread-stuffs, of 94 millions of dollars, being so much less than the crop would have produced, had the free trade prices of 1816 been obtained. In 1829 the average price of flour was \$6,35 the barrel, but in 1830, it had declined to an average of \$4,98, a lower price than in any year from 1785 to 1816. Thus, while the money prices of many of the articles of produce have greatly advanced, the great staples, classed under the name of "bread-stuffs," have actually been lower since the commencement of the "American System" than they were 40 to 50 years ago; for we find that from 1785 to 1789 the average was \$5,36 the barrel. The world being at that period in a state of general peace, there was of course no unusual foreign demand.

Now we do not pretend to assert, that other causes besides the restrictive and non-importation system have not contributed, with the anti-commercial policy, to lower the price of flour as well as other agricultural productions. But no one can deny, that the facts which we have adduced, have refuted the unwarrantable misrepresentations of the enemies of free trade, with regard to the beneficial effects of monopolies and taxation upon the great agricultural interests of the nation. And at the same time we cannot but hope, that the tax-paying farmers who depend on bread-stuffs for support, will withdraw

themselves from the influence of those public men, who, for the purpose of sustaining an unjust and unconstitutional system,* beneficial

* The restrictive system, implying the assumption of a power, on the part of Congress, of enacting laws for prohibiting, by high duties or otherwise, the importation of foreign commodities, for the purpose of raising the prices of similar commodities produced at home, has been, as we have already shown, pronounced to be inconsistent with the principles of our Constitution, by some of the most eminent lawyers and statesmen in New England.

The arguments on which this opinion rests are familiar to the public, and have never been refuted. An attempt has been made to influence the public mind by a reference to the authority of Mr. Madison. That gentleman, in his letters to Mr. Cabell, having taken a great deal of pains to prove what no one has ever denied, namely, *that Congress have a right to regulate trade and raise revenue*—it has been most unreasonably inferred that he intended to sustain the constitutionality of laws founded on the principle of *destroying trade and extinguishing the very sources of revenue*.

The appeal to Mr. Madison's authority for the justification of an act intended to annihilate both trade and revenue,—because he argues in favor of laws to promote trade and raise revenue,—affords a convincing proof of the weakness of a cause, whose most ingenious advocates resort to such a subterfuge for its defence.

In support of the views entertained by the most intelligent men in New England upon the point under discussion, namely the right of Congress to prohibit trade, we now present the reader with the opinions of another great lawyer and statesman, the late Samuel Dexter, as laid down by him in an argument in the District Court of Massachusetts, upon the unconstitutionality of the embargo law of 1807.

In Mr. Webster's speech, on Mr. Foot's Resolution, he thus alludes to this gentleman, "Mr. Dexter was a lawyer and he was also a statesman. He had studied the Constitution, when he filled public stations, that he might defend it; he had examined its principles, that he might maintain them; more than all men, or at least as much as any man, he was attached to the General Government and to the Union of the States. His feelings and opinions all ran in that direction. *A question of constitutional law, was of all subjects that one which was best suited to his talents and learning.*"

We trust, after such strong expressions of confidence in the talents, learning, loyalty, and patriotism of Mr. Dexter, which all will respond to, who were acquainted with his character and his public services, that his memory will not be defamed, if we show how entirely he differed in his opinions and principles from the advocates of the existing policy, and how ably he maintained some of those doctrines now denounced as *Southern doctrines, Virginia doctrines, Carolina doctrines*.

"Of all the means of human industry," says Mr. Dexter, "commerce is the most important; and, if it is true that it is one of our natural rights to procure happiness, *then commerce is such a right.*"

"Human life requires such commerce for its support, and it is one of the provisions of Heaven, that we shall exchange our productions, that we may afford each other comfort and support, and that the supplies which the bounty of Providence gives to every people should not perish and be wasted.

"It is also of importance as respects the dissemination of knowledge among men. When commerce is cut off, civilized nations become barbarous; it is therefore essential to civilization. Look back through the history of the Eastern continent; the interior has been inhabited by barbarians, by the Tartars and other savages.

"To destroy commerce, then, is to destroy civilization and all the means of intellectual improvement. It is therefore an *unalienable right*; it is so reckoned by theoretical writers, and by our several institutions which rank the right of acquiring property among our unalienable rights."

Now it has been contended by some of the restrictionists, 1st. That it is the object and tendency of the prohibitory policy to extend commerce; 2d. That it has actually extended our commerce, navigation and revenue.

To the first, we answer that the object of the high and prohibitory duties is to

to the few but injurious to the many, have resorted to such unworthy expedients for its support. Until this is done, we fear the nation

lessen the importations of foreign goods for the purpose of raising the prices of the domestic ones; and unless such should be their result, they cannot accomplish the purpose for which they were intended, and our opponents would at once join in calling for their reduction.

Now, if high duties lessen imports they will necessarily lessen exports, since every thing we import must be paid for, either in the products of our soil, or in something which has been received in exchange for those productions. The second proposition we have refuted, by proving from Custom House documents, that our exports, imports and revenue, have all been diminished since the protecting system commenced, and to a much greater extent than has been represented in the most exaggerated statements of the evils of the restrictive system.

Again; there are some, who, admitting that our commerce and navigation have declined, contend that it is within the constitutional power of Congress to effect a partial diminution of it. To this we answer,—if Congress have a right to destroy half our commerce, or any portion of it, their right to utterly annihilate it cannot be disputed. We apprehend no intelligent and reflecting mind would differ with us on this point.

Now that Congress have assumed the power to lessen some of our most valuable branches of commerce, no one can pretend to deny, because the only object which the restrictionists had in view, in obtaining the act of 1828, was to exclude foreign goods, in order to keep down foreign competition, and thus raise the prices of similar articles made at home.

Can any one doubt, then, who is willing to be guided by the opinions and authority of such a man as Mr. Dexter, that the act of 1828 is a violation of the Constitution, by depriving the nation of one of their *unalienable* rights—namely the right of acquiring property?—Again, says Mr. Dexter “Why, it may be asked, are these *unalienable* rights? Because they are the *fundamental principles of all free governments*, under which the right to resist always remains unabrogated. Governments are instituted for the good of the governed, and not for the rulers. All acts, then, *contrary to these fundamental principles, are void*. A man might, perhaps, *alienate* certain rights which are denominated *unalienable*, if *he alone* were affected by it; but he has no right to bind his posterity by such an act—he has no right to entail slavery on them. A man might remove to Turkey, if he preferred that government; but his choice would not give him a right to sell his children there for slaves. For these reasons, rights of this high nature are said to be *unalienable*, and they are made so for the wisest reasons; they are intended to carry into effect the Divine laws, and to promote the ends for which man was created. They cannot, then, be alienated to the magistrate. The right of acquiring property is one of these rights.

‘If, then, commerce, is one of these rights, and is of the important nature I have described, is it not a *violation* of these general principles, to prohibit commerce? especially foreign commerce, which is the most necessary and advantageous?—If it is true, then, that commerce is an *unalienable* right, *these acts which prohibit it are contrary to the fundamental principles of society*.” Again; “The right of acquiring property is *unalienable*. If it is true, then, that property is the object of civil society, is not a violation of that right a violation of the fundamental principles of society? We can imagine many cases for the sake of argument. Suppose there should be a prohibition to till the ground, in any country where there was no written constitution—is any citizen so lost to all feeling as to think he ought to submit to this? On what principle are we, then, told that we are bound to submit to a prohibition of commerce? *The prohibition is void on general principles*.

“If we have not rights of this nature, by what right are we now assembled here to decide the great question before the court? It was by the application of these very principles to Great Britain, that we maintained the right to declare ourselves independent. This very prohibition of commerce was one of the reasons alleged in our declaration of independence for the separation,—‘for cutting off our trade with all the world.’ This was our foreign commerce too; the very same aggression of our rights of which we now complain.

“If these great principles are now lost in our citizens, it is *because patriotism is sacrificed to party spirit*.”

cannot be restored to its former peace and prosperity, nor the integrity of the Union be itself maintained.

We admit, then, that other causes have been in operation to diminish the prices of agricultural products, besides the pernicious system of restrictions. But we maintain, in accordance with the resolution advocated by Mr. Webster, that the obvious effect of the high duty system upon the cultivator of the soil, is, *to reduce the value of all he has to sell, and to enhance the cost of all he has to buy*; * and we have the most entire conviction that the agricultural population of the United States are some hundreds of millions poorer than they would have been, had the nation never been allured from the free trade policy—a policy established by the first asserters of our liberties and independence, maintained by Washington and his wise and patriotic counsellors, and persevered in by all those statesmen who have consulted the true interest and happiness of their country.

The conclusion of this investigation will be reserved for a future number of this Exposition.

These are Carolina doctrines; they are Virginia doctrines; they were once the doctrines of Massachusetts, and if she has deserted them, "it is," to borrow the language of Mr. Dexter—"because patriotism is sacrificed to the spirit of party," or, what is still worse, *to the spirit of avarice*.

* In addition to the loss sustained by the agricultural classes in the reduced value of their staples, consequent upon the exclusive and taxing system, the increased prices paid for many of the necessaries of life, are enormous, if any reliance can be placed upon the statements of a gentleman who enjoys a great reputation, and is far from being unfriendly to the "American System," and has been claimed of late as one of its supporters. We allude to Mr. Justice Story, of the Supreme Court of the United States, who, in the Memorial drawn up by him for the citizens of Salem and its vicinity, in 1820, says—"Why should the farmer, the planter, the merchant, and the laboring classes, be taxed *for the necessities of life*, a sum equal to more than one quarter part of the whole expenditures on these objects, that the manufacturers may put this sum into their own pockets?"

As the duties on most of the staple articles of consumption were not half so high at the time that Memorial was written, as they now are, we are inclined to think that the ratio of taxation, as estimated by its author, was greatly over-rated; but there is no doubt that the taxation imposed by the act of 1828 in the form of increased prices of iron, woollens, salt, molasses, sugar, oil, cottons, lead, glass, stationary, slate, linen goods, &c. takes largely from the earnings of the laboring classes of the community, without affording even to those who are employed as laborers in the favored occupations, any compensation; since they do not participate in the profits of those branches of business, nor receive more wages than they would do, were they engaged in any other employments. The only persons, then, who can gain by the "American System," are the few thousand wealthy men who have large capitals in manufacturing establishments—and who enjoy the profits, which monopolies commonly afford to those in whose favor they are established, but which impose an unjust tax upon the people, analogous to the taxes which Great Britain attempted to exact from her colonies, the resistance to which led to our national emancipation and independence.

ERRATA.

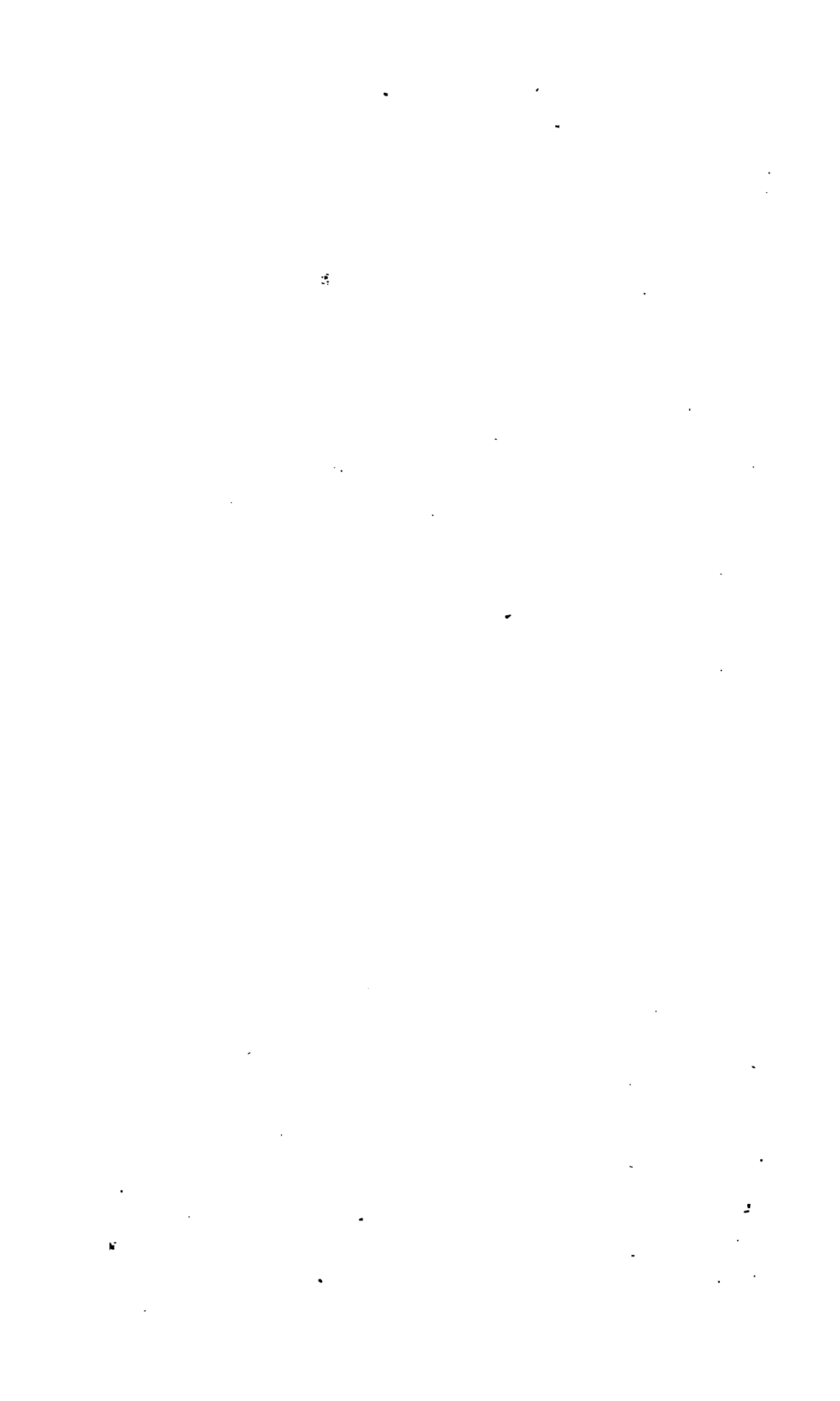
No. 5,—page 21, strike out of the 24th line, "during four of which our commerce was interrupted by an embargo."

No. 6,—page 35, first line, for "rates granted in 1816," read, "rates of duty granted on coarse goods in 1816"

No. 9,—note, page 1, last line, for "if it is so," read "if it is not so."

No. 9,—note, page 23, for "the last 17 years," read "the last 7 years."







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